THE BUREAU OF PROHIBITION

SERVICE MONOGRAPHS
OF THE
UNITED STATES GOVERNMENT
No 57

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THE HUMANISTIC SCIENCES

INSTITUTE FOR GOVERNMENT RESEARCH
OF
THE BROOKINGS INSTITUTION

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THE
BUREAU OF PROHIBITION

ITS HISTORY, ACTIVITIES AND ORGANIZATION

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INSTITUTE FOR GOVERNMENT RESEARCH

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BY
LAURENCE F. SCHMECKEBIER

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FOREWORD

The first essential to efficient administration of any enterprise is full knowledge of its present make-up and operation. Without full and complete information before them, as to existing organization, personnel, plant, and methods of operation and control, neither legislators nor administrators can properly perform their functions.

The greater the work, the more varied the activities engaged in, and the more complex the organization employed, the more imperative becomes the necessity that this information shall be available—and available in such a form that it can readily be utilized.

Of all undertakings, none in the United States, and few, if any, in the world, approach in magnitude, complexity, and importance that of the national government of the United States. As President Taft expressed it in his message to Congress of January 17, 1912, in referring to the inquiry being made under his direction into the efficiency and economy of the methods of prosecuting public business, the activities of the national government " are almost as varied as those of the entire business world. The operations of the government affect the interest of every person living within the jurisdiction of the United States. Its organization embraces stations and centers of work located in every city and in many local subdivisions of the country. Its gross expenditures amount to billions annually. Including the personnel of the military and naval establishments, more than half a million persons are required to do the work imposed by law upon the executive branch of the government.

" This vast organization has never been studied in detail as one piece of administrative mechanism. Never have the foundations been laid for a thorough consideration of the relations of all of its parts. No comprehensive effort has been made to list

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its multifarious activities or to group them in such a way as to present a clear picture of what the government is doing. Never has a complete description been given of the agencies through which these activities are performed. At no time has the attempt been made to study all of these activities and agencies with a view to the assignment of each activity to the agency best fitted for its performance, to the avoidance of duplication of plant and work, to the integration of all administrative agencies of the government, so far as may be practicable, into a unified organization for the most effective and economical dispatch of public business."

To lay the basis for such a comprehensive study of the organization and operations of the national government as President Taft outlined, the Institute for Government Research has undertaken the preparation of a series of monographs, of which the present study is one, giving a detailed description of each of the fifty or more distinct services of the government. These studies are being vigorously prosecuted, and it is hoped that all services of the government will be covered in a comparatively brief space of time. Thereafter, revisions of the monographs will be made from time to time as need arises, to the end that they may, as far as practicable, represent current conditions.

These monographs are all prepared according to a uniform plan. They give: first, the history of the establishment and development of the service; second, its functions, described not in general terms, but by detailing its specific activities; third, its organization for the handling of these activities; fourth, the character of its plant; fifth, a compilation of, or reference to, the laws and regulations governing its operations; sixth, financial statements showing its appropriations, expenditures and other data for a period of years; and finally, a full bibliography of the sources of information, official and private, bearing on the service and its operations.

In the preparation of these monographs the Institute has kept steadily in mind the aim to produce documents that will be of direct value and assistance in the administration of public affair. To executive officials they offer valuable tools of administration. Through them, such officers can, with a minimum of effort, inform themselves regarding the details, not only of their own services, but of others with whose facilities, activities, and methods it is desirable that they should be familiar. Under present conditions services frequently engage in activities in ignorance of the fact that the work projected has already been done, or is in process of execution by other services. Many cases exist where one service could make effective use of the organization, plant or results of other services had they knowledge that such facilities were in existence. With the constant shifting of directing personnel that takes place in the administrative branch of the national government, the existence of means by which incoming officials may thus readily secure information regarding their own and other services is a matter of great importance.

To members of Congress the monograph should prove of no less value. At present these officials are called upon to legislate and appropriate money for services concerning whose needs and real problems they can secure but imperfect information. That the possession by each member of a set of monographs such as is here projected, prepared according to a uniform plan, will be a great aid to intelligent legislation and appropriation of funds can hardly be questioned.

To the public, finally, these monographs will give that knowledge of the organization and operations of their government which must be had if an enlightened public opinion is to be brought to bear upon the conduct of governmental affairs.

These studies are wholly descriptive in character. No attempt is made in them to subject the conditions described to criticism, nor to indicate features in respect to which changes might with advantage be made. Upon administrators themselves falls responsibility for making or proposing changes which will result in the improvement of methods of administration. The primary aim of outside agencies should be to emphasize this responsibility and facilitate its fulfillment.

While the monographs thus make no direct recommendations for improvement, they cannot fail greatly to stimulate efforts in that direction. Prepared as they are according to a uniform plan, and setting forth as they do the activities, plant, organization, personnel and laws governing the several services of the government, they will automatically, as it were, reveal, for example, the extent to which work in the same field is being performed by different services, and thus furnish the information that is essential to a consideration of the great question of the better distribution and coördination of activities among the several departments, establishments, and bureaus, and the elimination of duplication of plant, organization and work. Through them it will also be possible to subject any particular feature of the administrative work of the government to exhaustive study, to determine, for example, what facilities, in the way of laboratories and other plant and equipment, exist for the prosecution of any line of work and where those facilities are located; or what work is being done in any field of administration or research, such as the promotion, protection and regulations of the maritime interests of the country, the planning and execution of works of an engineering character, or the collection, compilation and publication of statistical data, or what differences of practice prevail in respect to organization, classification, appointment, and promotion of personnel.

To recapitulate, the monographs will serve the double purpose of furnishing an essential tool for efficient legislation, administration and popular control, and of laying the basis for critical and constructive work on the part of those upon whom responsibility for such work primarily rests.

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THE BUREAU OF PROHIBITION

ITS HISTORY, ACTIVITIES, AND ORGANIZATION

CHAPTER I

HISTORY

The Bureau of Prohibition is a branch of the Treasury Department having charge of the enforcement of all laws prohibiting or authorizing the manufacture, sale, and use of intoxicating liquors and narcotic drugs. It is not directly concerned with the prevention of smuggling of these articles, which is part of the work of the Bureau of Customs and the Coast Guard.

The Bureau was created by the act of March 3, 1927 (44 Stat. L., 1381), which became effective April 1, 1927. That act confers all the duties and powers on the Secretary of the Treasury and expressly authorizes him to delegate such rights and duties to the Commissioner of Prohibition or any of the officers of the Bureau of Prohibition. Before April 1, 1927, all the powers and duties of the Commissioner of Prohibition had been vested in the Commissioner of Internal Revenue.

Period Before the World War. Prior to the World War the interest of the national government in the liquor traffic was confined to the collection of the excise taxes imposed upon manufacturers and dealers. This work necessarily carried with it police duties in connection with the discovery of illicit distilleries and of establishments selling without federal license.

National taxes on liquor were imposed for the first time by the act of March 3, 1791 (1 Stat. L., 202), and continued until June 30, 1802 (2 Stat. L., 148). They were revived in 1813 and 1814 (3 Stat. L., 42, 152), and were in force until December 31, 1817 (3 Stat. L., 401). The necessity for additional revenue for the conduct of the Civil War again made necessary the taxation of alcoholic liquor, this being effected by the act of July 1, 1862 (12 Stat. L., 432), which also created the Office of Commissioner of Internal Revenue.[1] This act, as well as the earlier laws relating to internal taxation, also provided for taxation on tobacco and other commodities as well as direct taxes. Gradually the internal taxes were abolished, and by 1883 (22 Stat. L., 488), they were confined to alcoholic and tobacco products and to dealers in those commodities.

From 1883 to 1914 the activities of the Bureau of Internal Revenue were mainly confined to the collection of the liquor and tobacco taxes and the necessary police work connected therewith, but during this period other taxes were added, some for brief periods. In 1886 a tax was imposed on oleomargarine (24 Stat. L., 209). In 1890 the McKinley Tariff Act (26 Stat. L., 620), imposed a regulatory tax on opium for smoking purposes, and made the Commissioner of Internal Revenue the administrator of the bounty on sugar produced from cane or beets grown in the United States (26 Stat. L., 583). The sugar bounty was in force until 1894 (28 Stat. L., 521). In 1894 an income tax was levied (28 Stat. L., 508), but was declared unconstitutional the following year.[2] A regulatory tax on filled cheese was provided by the act of June 6, 1896 (29 Stat. L., 253). The Spanish-American War brought forth additional internal taxes (30 Stat. L., 448), all of which were repealed by 1902 (31 Stat. L., 938; 32 Stat. L., 96), except a regulatory tax on mixed flour. In 1909 a corporation tax was levied (36 Stat. L., 112), and in 1912 a regulatory tax on white phosphorus matches (37 Stat. L., 81). The general income tax was revived in 1913 (38 Stat. L., 166), as a result of the passage of the Sixteenth Amendment to the Constitution.

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[1] For a more detailed history of the Bureau of Internal Revenue prior to 1923, see Institute for Government Research, The Bureau of Internal Revenue—its history, activities, and organization, Monograph 25.

[2] 158 U. S. 601.

From 1862 to 1913 there were numerous changes in the rates of taxation on liquor and in the supervision required. The most far reaching of these was the denatured alcohol act of 1906 (34 Stat. L., 217, 1250), which remitted the tax on alcohol unfit for beverage or medicinal purposes and provided for government control of manufacture. This act is still in force, and it is the earliest statute being administered by the Bureau of Prohibition.

The War Period. The first effect of the outbreak of the war in Europe was a decrease in the revenue from duties. This made necessary increased revenue from internal taxes, and there resulted the act of October 22, 1914 (38 Stat. L., 745), which practically reënacted all the Spanish-American War taxes.

In December, 1914, there was approved the Harrison Act regulating the domestic use of opium and coca leaves and their derivatives (38 Stat. L., 785). This act had nothing to do with the war, but represented the culmination of a movement started years before to cut the domestic and international trade in opium and other narcotic drugs. On its face this act was a revenue measure, although the Supreme Court has assumed that it had a moral end in view,[3] and its enforcement was placed in the hands of the Commissioner of Internal Revenue.

Shortly after the passage of the Harrison Act, the Narcotic Division was organized in the Bureau of Internal Revenue. When the Prohibition Unit was established in the Bureau of Internal Revenue in 1920, the Narcotic Division became one of its branches; it continued in this status until the Prohibition Bureau was created in 1927, when it was transferred to that organization.

Even before the United States declared war there was a material increase in the importance of the Bureau of Internal Revenue as a revenue-collecting agency. The act of September 8, 1916 (39 Stat. L., 756), increased the income tax, imposed a munitions tax, levied an estate tax, and provided a capital stock tax. Early in 1917 an excess profits tax was imposed (39 Stat. L., 1000).

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[3] United States v. Jin Fuey Moy, 241 U. S. 394.

After the declaration of war the revenue taxes were largely increased by the acts of October 3, 1917 (40 Stat. L., 300), and February 24, 1919 (40 Stat. L., 1057). Among the new taxes was one on the products of child labor levied by the act of 1919. This was in effect until 1922, when it was declared unconstitutional.[4] As a result of the additional taxes the appropriations for the Bureau of Internal Revenue increased from five and a half to twenty-four million dollars between the fiscal years 1913 and 1919.

Regulation of intoxicating liquors for beverage purposes first comes into the picture in 1917, the previous activities of the Bureau of Internal Revenue being entirely from the revenue side.

The Food and Fuel Control Act of August 10, 1917 (40 Stat. L., 282), provided that within thirty days after its passage "no foods, fruits, food materials or feeds shall be used in the production of distilled spirits for beverage purposes," and the President was authorized to limit the use of foods in the production of malt or vinous liquors. On August 10 an executive order was issued creating the Food Administration, to which was assigned all duties connected with the enforcement and administration of the act. On September 2, 1917, another executive order was issued transferring to the Bureau of Internal Revenue the entire control over the production of distilled spirits. On December 8, 1917 (40 Stat. L., 1728), a proclamation was issued providing that no food material should be used in the manufacture of malt liquor except by license from the Commissioner of Internal Revenue; this proclamation also restricted the amount of food material to be used for malt liquor and provided that malt liquor must not contain more than 2.75 per cent of alcohol by weight. On September 16, 1918, another proclamation was issued (40 Stat. L., 1848) providing that no food material should be used in the manufacture of malt liquor after December 1, 1918, regardless of whether such liquor was intoxicating or not.

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[4] Child Labor Tax case, 259 U. S. 20.

The proclamation of January 30, 1919 (40 Stat. L., 1930), allowed the use of grain in the manufacture of non-intoxicating malt beverages, and the proclamation of March 4, 1919, allowed the use of other food material for the manufacture of non-intoxicating beverages.

As the raw material was controlled through the Food Administration the enforcement of these orders offered no special difficulty.

Prior to 1919 all the laws and executive orders were directed against the use of raw material in the manufacture of beverages. There was no restriction on sale except in restricted areas adjacent to military camps and naval stations. The first general restriction on sale was imposed by the act of November 21, 1918 (40 Stat. L., 1045), approved after the armistice, which provided that no liquor should be sold for beverage purposes after June 30, 1919, except for export. This was the war prohibition act, which was to be in effect until the conclusion of the war and thereafter " until the termination of demobilization, the date of which shall be determined and proclaimed by the President."

Constitutional Prohibition. The Constitutional amendment relating to prohibition was proposed by Congress in December, 1917 (40 Stat. L., 1050), and on January 29, 1919, the Secretary of State issued a proclamation stating that as thirty-six states had ratified the amendment it had become a part of the Constitution (40 Stat. L., 1941). The amendment, however, did not become effective until January 16, 1920.

The National Prohibition Act. In October, 1919, both houses of Congress passed the National Prohibition (Volstead) Act for the enforcement of constitutional prohibition, but coupled with this, as Title I, were provisions for the enforcement of war prohibition along the same lines as constitutional prohibition, and war prohibition was continued until constitutional prohibition took effect on January 16, 1920.[5] This coupling of war and constitutional prohibition without intermission led President Wilson to veto the bill, his objections being as follows:

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[5] The continuance of war time prohibition was held legal in Hamilton v. Kentucky Distilleries Co., 251 U. S. 146.

> The subject matter treated in this measure deals with two distinct phases of the prohibition legislation. One part of the act under consideration seeks to enforce war-time prohibition. The other provides for the enforcement which was made necessary by the adoption of the constitutional amendment. I object to and cannot approve that part of this legislation with reference to war-time prohibition. It has to do with the enforcement of an act which was passed by reason of the emergencies of the war and whose objects have been satisfied in the demobilization of the Army and Navy, and whose repeal I have already sought at the hands of Congress. Where the purposes of particular legislation arising out of war emergency have been satisfied, sound public policy makes clear the reason and necessity for repeal.
>
> It will not be difficult for Congress in considering this important matter to separate these two questions and effectively to legislate regarding them, making the proper distinction between temporary causes which arose out of war-time emergencies and those like the constitutional amendment of prohibition which is now part of the fundamental law of the country. In all matters having to do with the personal habits and customs of large numbers of our people we must be certain that the established processes of legal change are followed. In no other way can the salutary object sought to be accomplished by great reforms of this character be made satisfactory and permanent.[6]

The veto message was received by the House on October 27; it was overridden in the House on the same day and in the Senate on the following day, and the bill as passed originally became law (41 Stat. L., 305). The act placed the primary police duty in connection with enforcement on the Commissioner of Internal Revenue, although the actual prosecution in the courts was to be conducted by the United States attorneys in the several districts, as has always been the practice as regards both civil and criminal cases. The Commissioner of Internal Revenue was likewise given power to issue permits for the manufacture,

[6] Cong. Record, Vol. 58, Pt. 8, p. 7607.

sale, and transportation of alcoholic liquor for religious, medicinal, and industrial purposes so far as these were recognized by law. He also retained all the duties previously conferred upon him relative to the collection of taxes on the alcoholic liquor which was authorized to be manufactured and sold.

The enforcement of prohibition was thus added to the duties of a bureau which was collecting the taxes resulting from the war; "both the Secretary of the Treasury and the Commissioner urged upon the committees of Congress the recommendation that this important responsibility should not be imposed on the Treasury Department, which is already burdened with the fiscal and revenue problems of the Government. However, Congress, evidently considering the similarity of some phases of the work of internal-revenue agents in the field who are assigned to secure evidence and aid in the prosecution of persons who have evaded the taxes imposed by law on the manufacture and sale of alcoholic beverages with the police function of prohibition enforcement officers, decided that the Bureau of Internal Revenue should undertake . . . the enforcement of the prohibition law."[7]

Work of Prohibition Unit, 1920-1924. When the National Prohibition Act was passed, the Secretary of the Treasury created a new branch of the Bureau of Internal Revenue to be known as the Prohibition Unit. This unit was specifically charged with the enforcement of the new law, and there were transferred to it the existing divisions of the Bureau of Internal Revenue dealing with control of narcotics and industrial alcohol. It should be noted that the Prohibition Unit was never established by law, all the powers exercised by it being vested in the Commissioner of Internal Revenue. Not even the appropriation acts recognized the Unit, all the appropriations being for the purpose of enforcing the law.

The detailed enforcement of the law was placed in the hands of State Prohibition Directors; under the law these officers, as well as their subordinates, were appointed without civil service examination.

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[7] Commissioner of Internal Revenue, Annual Report, 1919, p. 62.

While the detailed enforcement of the prohibitory feature was under the State Prohibition Directors, there was considerable centralization in Washington as regarded the permissive use of alcohol for industrial purposes, and the supervision of the manufacturing, warehousing, and denaturing of alcohol remained with the local collectors of internal revenue.

The National Prohibition Act allowed the manufacture of liquor for non-beverage purposes under permit granted by the Commissioner of Internal Revenue (41 Stat. L., 308). The agitation for medicinal beer resulted in the passage of the Willis-Campbell Act of November 23, 1921 (42 Stat. L., 222), which provided that only spirituous or vinous liquor might be prescribed for medicinal purposes. This act also prohibited the "manufacture of any spirituous liquor, save alcohol, until the amount of such liquor now in distilleries or other bonded warehouses shall have been reduced to a quantity that in the opinion of the Commissioner [of Internal Revenue] will, with liquor that may hereafter be manufactured and imported, be sufficient to supply the current need thereafter for all non-beverage uses."

Subsequent to the passage of the National Prohibition Act no gin, high wines, or cologne spirits had been legally manufactured, but whisky, rum, and brandy had been produced under permit, the output of legal whisky being as follows:

Fiscal year	Tax gallons
1920	234,705.2
1921	753,374.6
1922	315,799.6

No whisky has been legally produced since the passage of the Willis-Campbell Act, but rum and brandy are still manufactured under permit.

In order to reduce the expense imposed on the government in keeping storekeeper-gaugers and watchmen at whisky warehouses, the appropriation act for the fiscal year 1923 authorized the Commissioner of Internal Revenue to move whisky from one bonded warehouse to another (42 Stat. L., 375). This authority has been repeated in all later appropriation acts. This provision was made in "compliance with the urgent recommendation of officials of the Treasury Department,"[8] and its purpose was to correct "a previous situation which made it impossible to collect the large stocks of bonded whisky in the country into a small number of warehouses."[9]

On July 1, 1922, when this authority became effective, there were 296 bonded whisky warehouses; by the end of the fiscal year 1923 the number of warehouses was reduced to 137, and by the end of the fiscal year 1928 to thirty-seven, of which twenty-seven were concentration warehouses, eight were distillery warehouses, and two were general bonded warehouses.

Change in Departmental Control. The organization outlined above remained in effect without substantial change until after the appointment of Assistant Secretary Lincoln C. Andrews on April 1, 1925, at which time there was also a change in the departmental control. Prior to April 1, 1925, the Customs Service, the Coast Guard, and the Bureau of Internal Revenue, including the Prohibition Unit, were under the direction of the Assistant Secretary in charge of the Collection of the Revenues.[10] The order of the Secretary of the Treasury of April 1, 1925, placed the Customs Service, the Coast Guard, and the Prohibition Unit under the direction of the Assistant Secretary in charge of Customs, Coast Guard, and Prohibition, and assigned the remainder of the Bureau of Internal Revenue to the Assistant Secretary in charge of Internal Revenue and Miscellaneous; the other Treasury branches under this Assistant Secretary were the Office of the Chief Clerk, the Bureau of Supply, the Division of Appointments, the Division of Printing, the Public Health Service and the Office of the Supervising Architect.[11]

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[8] Secretary of the Treasury, Annual Report, 1923, p. 38. A similar provision had been inserted in the Senate as an amendment to the Revenue Act of 1921, but it was lost in conference.

[9] *Ibid.*

[10] Treasury Department Circular 244, June 21, 1923, in Annual Report of the Secretary of the Treasury, 1923, p. 354.

The change in departmental control in 1925 grew out of a desire to obtain better enforcement of the law. It resulted in two noteworthy innovations in departmental organization and procedure. The first innovation was the splitting of the control over the Bureau of Internal Revenue. For years in all government departments the line of authority in the ascending scale ran from a bureau to one of the assistant secretaries. Under this reorganization the line of authority from the Bureau of Internal Revenue ran to one assistant secretary in matters coming under the Prohibition Unit, and to another assistant secretary for all the other work of the Bureau. In other words, the Commissioner of Internal Revenue had two masters.

The second innovation was that in all matters of organization, general policy, and drafting of regulations the work was done by the assistant secretary, leaving only the routine administration to the Commissioner of Prohibition and his immediate superior, the Commissioner of Internal Revenue. The legal control was still in the Commissioner of Internal Revenue; the actual control, by reason of his administrative power, was in the hands of the assistant secretary,[12] whose policies were reflected in formal orders of legal weight and import promulgated by his subordinate, the Commissioner of Internal Revenue.

Reorganization of Field Service, 1925. As a result of the work of Assistant Secretary Andrews the field organization was radically changed. The forty-eight field prohibition directors were replaced by twenty-four, each field unit being coterminous with one or more federal judicial districts.

As a rule the office of each administrator was divided into three units—an enforcement section and a permissive section, each in charge of an assistant administrator, and a legal section in charge of an attorney. In some of the less important districts the enforcement work was directly under the administrator and there was only one assistant administrator. If there was more than one federal judicial district in a director's territory provision was made for a deputy administrator in each judicial district away from headquarters in order to keep in close touch with the United States attorneys and the work of the courts.

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[11] Treasury Department Circular 244, April 1, 1925, in Annual Report of the Secretary of the Treasury, 1925, p. 325.

[12] For letters of instruction directly from the assistant secretary to field officers, see The National Prohibition Law, hearings before subcommittee of the Committee on Judiciary U. S. Senate, Sixty-ninth Congress, first session, . . . 1926, pp. 1453-64.

Other features of the reorganization were decentralization and the transfer of the control of the distribution and use of denatured alcohol from the collectors of internal revenue to the prohibition administrators. The collectors still collected whatever tax was due, but the supervision of the manufacturing, warehousing, and denaturing of alcohol was placed in the hands of the local prohibition administrators. The effect of decentralization was described by the Commissioner of Internal Revenue as follows:[13]

> The decentralization of the unit includes the transfer to the prohibition administrators of the issuance of basic permits as well as withdrawal permits for intoxicating liquor, in lieu of submitting them to Washington, with resultant duplication of work and delay. The former system involved the filing of an application by the applicant, investigation and recommendation by the Federal prohibition director, the forwarding of such recommendation to the prohibition commissioner and the return of the application to the director, who then communicated with the applicant. Under the reorganization the applicant communicates with the prohibition administrator for his district, and the administrator after investigation either approves or disapproves the application and advises the applicant directly without referring the matter to Washington, thus eliminating duplication of effort and rendering more prompt service to the applicant. All control of alcohol, except the collection of the Federal tax, is made solely the responsibility of the prohibition administrators.
>
> The prohibition headquarters in Washington will be largely one for supervision to secure uniformity of procedure, standardization, coördination, etc.

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[13] Commissioner of Internal Revenue, Annual Report, 1925, p. 26.

This organization is essentially in force at present.

In respect to enforcement, stress was placed upon stopping liquor at the source, the policy being outlined by the Secretary of the Treasury in his annual report for 1926 as follows:[14]

> In the matter of policy, other than that mentioned above, the Treasury felt with respect to local law enforcement that too much responsibility had been placed upon the Federal Government. Even in those States which already had satisfactory State laws, and in which local machinery for enforcement had been provided, citizens and officials were looking to the Federal forces for the performance of police duties which were purely local. This misinterpretation of jurisdiction, while perhaps natural and for that reason excusable, proved a serious hindrance to the successful enforcement of the national prohibition law. Were the Federal Government to accept this responsibility, it must organize large police forces in the various communities, and, in addition, must provide adequate judicial machinery for the disposition of the local cases—an interference by the Federal Government with local government which could not be other than obnoxious to every right-thinking citizen.
>
> In many jurisdictions this condition has already resulted in flooding the offices of Federal district attorneys, as well as the dockets of the Federal courts, with thousands of untried cases. In order to remedy this situation it was decided that the Federal Government should accept the responsibility for the enforcement of such provisions of the law as the eighteenth amendment by clear intent placed under Federal jurisdiction. The principal duty which the Federal Government should assume is the prevention of commercialized traffic in liquor. It is the function of the Federal Government to eliminate the sources of supply for the liquor traffic; to prevent the manufacture, transportation, importation, and sale, in commercial quantities, of intoxicating beverages. It should be the duty of the Federal forces to point out to State, county, and municipal officers the necessity for the prompt reassumption of the responsibilities of self-government, as well as the urgent need for prompt local enforcement of the law. This policy has been in force for nearly a year, and gratifying results are beginning to be attained. The Federal forces have not, however, wholly withdrawn from local enforce-

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[14] Secretary of the Treasury, Annual Report, 1926, pp. 139-40.

ment, and continue to engage to some extent locally in those communities where local officers have been either slow or reluctant to take action. Generally speaking, however, communities are recognizing the necessity both of replacing local officers who are unfaithful to their trust and of exacting from all other officers a more vigorous performance of their duties.

Prohibition field officers, meanwhile, are more actively coöperating with the United States attorneys in the enforcement of the law. Administrators have been instructed to assist the district attorneys in the prompt clearance of court dockets.

Coördination to Prevent Smuggling, 1925. Another purpose of this overhead reorganization heretofore described was to enable one of the assistant secretaries to concentrate his attention on the enforcement of the prohibition law, and to coördinate more effectually the effort of the three enforcement agencies—the Coast Guard, the Customs Service, and the Prohibition Unit.

From the beginning the work of the Prohibition Unit did not extend as a rule to the coastal waters, the maritime ports, or the borders.

Late in the eighteenth century a portion of the Coast Guard, then the Revenue Marine Service, had been organized as a police agency to prevent interference with the revenues through smuggling.[15] Changes in methods of ocean transportation had put an end to smuggling, and the Coast Guard had been diverted to other ends. The enactment of national prohibition made smuggling of liquor a profitable occupation, and the Coast Guard to a certain extent reverted to its former occupation.[16]

Two methods were generally used to dispose of cargoes. Under one, arrangements for sale and transportation were made in advance, and the liquor was landed at various points on the coast, loaded on trucks, and carried to the consuming centers.

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[15] For an account of the history, organization, and activities of the Coast Guard, see Institute for Government Research, The Coast Guard, Monograph 51.

[16] The right of the officers of the Coast Guard to seize an American vessel on the high seas and to make arrests is affirmed in Maul v. United States, 274 U. S. 501.

Another method was to hover outside the three-mile limit, and make sales to purchasers who came from the shore in their own boats. Under this system grew the notorious "rum row" off the harbor of New York.

At the beginning of prohibition enforcement the Coast Guard was equipped with neither sufficient personnel nor adequate speed-boats. Additional equipment was obtained as the result of an appropriation of $12,000,000 carried in the act of April 2, 1924 (43 Stat. L., 50). Increases were made in the personnel from time to time as the equipment came into use. As a result of the work of the Coast Guard it appears that "rum row" has found it impossible to do business.

The division of the expenses of the Coast Guard between its regular activities and its additional activities for the prevention of smuggling liquor has been as follows:[17]

Division of Coast Guard Expenses

Fiscal year	Regular activity	Additional activities, smuggling	Total
1924	$10,839,530	$13,850,622	$24,690,152
1925	11,727,029	8,199,600	19,926,629
1926	10,909,058	15,519,427	26,428,485
1927	12,595,336	14,560,011	27,155,347
1928	14,280,060	15,426,540	29,706,600
1929	13,792,040	15,110,530	28,902,570
1930 (estimate)	14,983,373	14,686,798	29,670,171

The Coast Guard was further armed for its work by the right of visit and search acquired through a series of conventions with the nations which were the principal sources of supply of intoxicating liquor. Under the old rule of the sea, national jurisdiction could not be asserted outside the three-mile limit. These conventions provide that vessels may be boarded outside of territorial waters, but not at a greater distance from the shore than may be traversed in one hour; the seizure of the vessel is also authorized if there is reasonable ground to believe that an offense has been committed or is about to be committed. In return, foreign vessels were to be allowed to carry intoxicants as sea stores or as cargo destined to a port beyond the United States, but all such liquor is to be kept under seal.[18]

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[17] House Hearings on Treasury Department appropriation bill for 1930, Seventieth Congress, second session, p. 294.

Conventions with Canada and Mexico provided for exchange of information and prohibition of exports without an export declaration.[19] The convention with Canada is not very effective, as the shipment is landed in the United States before the information is received. The greater part of this smuggling is in the neighborhood of Detroit.

Vessels discharging cargo from foreign countries have always been continually under the supervision of customs officers until they are completely unloaded. Importations of many articles are prohibited or are allowed only under license or technical inspection. The prevention of smuggling at the ports is, therefore one of the duties of the Customs Service,[20] although there is necessarily exchange of information where the prohibition agents suspect liquor to have come from a vessel. The amount of liquor smuggling from vessels in the ports is probably very small in comparison with the border or the former offshore smuggling. It probably consists of a few bottles now and then.

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[18] These conventions were proclaimed as follows: Great Britain, May 22, 1924 (43 Stat. L., 1761); Norway, July 2, 1924 (43 Stat. L., 1772); Denmark, July 25, 1924 (43 Stat. L., 1809); Germany, August 11, 1924 (43 Stat. L., 1815); Sweden, August 18, 1924 (43 Stat. L., 1830); Italy, October 22, 1924 (43 Stat. L., 1844); Panama, January 19, 1925 (43 Stat. L., 1875); Netherlands, April 8, 1925 (44 Stat. L., 2013); Cuba, June 19, 1926 (44 Stat. L., 2395); Spain, November 17, 1926 (44 Stat. L., 2465); France, March 12, 1927; Belgium, January 11, 1928.

A prosecution under the British treaty was affirmed in Ford et. al. v. United States, 273 U. S. 593.

[19] The convention with Canada was proclaimed July 17, 1925 (44 Stat. L., 2097); that with Mexico was signed December 23, 1925, ratified March 3, 1926, and proclaimed March 18, 1926 (44 Stat. L., 2358). It was terminated March 28, 1927.

[20] For an account of the history, activities, and organization of the Customs Service, see Institute for Government Research, The Customs Service, Monograph 33.

The prevention of smuggling of narcotics is of more importance, as these are smuggled in small packages usually concealed on the person.

Conditions on the borders, particularly the Canadian border, offer great difficulties owing to the length of the land boundary line and the length and narrowness of the water-boundary. The land boundary is patrolled by officers of the Bureau of Customs. The customs officers also inspect all merchandise at the regular points of landing on the water boundary. The water patrol is operated by the Coast Guard. Along the Mexican boundary the conditions are not as difficult, as for long stretches the boundary is not crossed by roads, and the supply is not obtained as easily as in Canada. No figures are available on the expenses of the Bureau of Customs in regard to the smuggling of liquor.

Notwithstanding the effort made to suppress border smuggling it continues to a large degree. The Assistant Attorney General in charge of prosecutions under the National Prohibition Act comments on this situation as follows:[21]

> The problems of the liquor smuggling traffic directly from Canada into the United States across the international boundary line continue to be unsolved. Indeed, while the record of foreign ship seizures would seem to indicate that the smuggling traffic from the high seas through the aid of hovering vessels is diminishing, such traffic across the international boundary is increasing. The great bulk of this trade is carried on through the waters of the Great Lakes and their connections.
>
> It is possible to gauge the volume of liquor smuggled across our northern boundary a little more accurately than that occurring in other places because a substantial amount of the liquor passes through Canadian customs and official record is made thereof. In practice, the liquor runner clears his cargo regularly through the Canadian customs before proceeding to evade the United States customs in making delivery. No one would contend that all of the liquor which is smuggled across the northern boundary passes regularly through the Canadian customs. The volume is probably much greater than those records

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[21] Attorney General, Annual Report, 1928, pp. 36-37.

will show. However, available data which is taken from statistical bulletins issued by the Department of Trade and Commerce of Canada indicates that this traffic is immense in its proportions and is increasing.

In order that this situation may be visualized, there is set out below the quantity and value of the whisky exportations from Canada to the United States covering the calendar years of 1925 and 1926 and the two years ending June 30, 1927, and June 30, 1928, respectively, as indicated in these official Canadian records.

Exports of Whisky from Canada to United States

Amount in Gallons

1925	665,896
1926	983,152
1927	1,053,213
1928	1,169,002

Canadian Value

1925	$10,772,988
1926	15,475,270
1927	17,171,484
1928	18,883,541

The figures thus given cover the exportations of whisky only, and the same records show that the total value of all alcoholic beverages exported to the United States from Canada during the year ending June 30, 1928, amounted to $24,397,958. As observed heretofore, these records show only the liquor which was regularly cleared through Canadian customs. Some of it may be short-circuited for consumption in Canada. On the other hand, it is believed a substantial amount of liquor enters the United States across the northern boundary of which the Canadian customs has no record. Based on the figures supplied by the Canadian Department of Trade and Commerce it will be noted that in the course of three years the volume of this traffic has increased more than 75 per cent. In so far as the United States is concerned, it is 100 per cent illegal.

In May, 1926, all prohibition activities on the Pacific Coast were coördinated under a special agent of the San Francisco Division of the Special Intelligence Unit of the Bureau of

Internal Revenue. This coördination is still in effect under a special agent of the Bureau of Prohibition.

Appointment of State Officers, 1926. On May 8, 1926, the President made provision to allow officers of local governmental units to be appointed prohibition officers, under the following executive order (No. 4439):

> In order that they may more efficiently function in the enforcement of the National Prohibition Act, any State, county or municipal officer may be appointed, at a nominal rate of compensation, as prohibition officer of the Treasury Department to enforce the provisions of the National Prohibition Act and acts supplemental thereto, in States and Territories except in those states having constitutional or statutory provisions against state officers holding office under the federal government.

This order aroused considerable comment in both houses of Congress and in some of the papers.[22] In the House a joint resolution (No. 265), was introduced providing *inter alia,* that no state, county, or city officer should be enrolled as an agent of the Treasury Department until he had completely severed his employment with the state, county, or city; it also provided that no agent should be employed at a nominal salary. The House Committee on the Judiciary made a short adverse report on this proposal;[23] and the resolution was ordered laid on the table.[24]

In the Senate the action took the form of a resolution (No. 232) directing the Committee on the Judiciary to inquire and to advise the Senate whether the executive order "is within the legal powers of the Executive." The majority of the committee held that the order was not illegal, although it expressly disclaimed any expression of opinion in regard to the wisdom of the policy. It was pointed out that the order required no service on the part of state officers, but merely permitted them to accept an appointment, and that its effect was to remove limitations on federal appointment imposed by an executive order of January 17, 1873.[25] Two members of the Committee, Senators King and Caraway, filed dissenting opinions.[26] The Senate took no further action.

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[22] The discussion in the House is given in Cong. Record, Vol. 67, Pt. 9, pp. 9944, 10028, and 10103; that in the Senate is in Pt. 9, pp. 9922, 9982-97, and Pt. 10, p. 10997, of the same volume; the Senate debate contains also some reprints of newspaper editorials.

[23] 69 Cong. 1 sess., H. rep. 1448.

[24] Cong. Record, Volume 67, Pt. 10, p. 11,122.

Only a few officers were appointed under this authority; none is commissioned at present.

Legislation Proposed, 1923-26. In the meantime several bills had been introduced looking to a change in the organization of prohibition enforcement. In 1923 bills had been introduced for an independent establishment directly under the President for prohibition enforcement work (H. R. 12035, S. 3713, 67 Cong.). These were never reported out of committee, as there was a general feeling that the wide discretionary power given to the head of the service should be subject to review by a department head, and that the President was too busy to attend to such details of administration.

In 1924 a bill (H. R. 6645, 68 Cong.) establishing a Bureau of Prohibition in the Treasury Department and providing for civil service examinations for field employees passed the House; it was favorably reported in the Senate in 1925, but failed to come to a vote in that body. During the same Congress a separate bill for civil service examinations (H. R. 6147) was introduced but was not reported.

A bill for a separate Bureau of Prohibition (H. R. 10729) and a bill for civil service examinations for the field force (H. R. 3821) passed the House at the first session of the Sixty-ninth Congress and were favorably reported to the Senate.

The bills introduced in the Sixty-eighth and Sixty-ninth Congresses encountered vigorous opposition from an unexpected quarter, namely, the legitimate users of industrial alcohol and the manufacturers of pharmaceuticals, extracts, and toilet preparations in which alcohol is used as a necessary solvent. The objection of these users was based on their fear that the preventive side of the work would encroach unduly on the permissive activities, and that there would be delay in obtaining the supplies necessary for their activities. It was claimed that they had already been embarrassed by the arbitrary rulings of the prohibition administration, and that they had been able to maintain their legitimate rights through appeal to the Commissioner of Internal Revenue.[27]

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[25] 69 Cong. 1 sess., S. rep. 1048, pp. 1-10.

[26] *Ibid.*, pp. 11-22.

Creation of Bureau of Prohibition, 1927. The bill (H. R. 10729, 69 Cong.) which became a law on March 3, 1927 (44 Stat. L., 1381), created a Bureau of Customs and a Bureau of Prohibition in the Treasury Department. Provision was made for a Commissioner of Prohibition, an assistant commissioner, two deputy commissioners, a chief clerk, and such other employees as might be necessary. All headquarter officers and employees were to be appointed by the Secretary of the Treasury, and all were to be in the classified civil service except the Commissioner. The field employees were to be appointed by the Commissioner, " with the approval of the Secretary of the Treasury," subject to the provisions of the civil service laws; employees already in the service were not covered in without examination.

While the office of Commissioner of Prohibition was created by this act, no specific duties were conferred on him thereby. Instead all the powers and duties imposed on the Commissioner of Internal Revenue by any law relating to intoxicating liquors or narcotics were transferred to the Secretary of the Treasury. The Secretary, however, was specifically authorized to confer on the Commissioner of Prohibition or his subordinates any of these rights and duties, and to confer on the Commissioner of Internal Revenue any powers and duties, "which, in the opinion of the Secretary, may be necessary in connection with internal revenue taxes." These provisions left the Secretary free to shift from one bureau to another, as circumstances might render desirable, any duties connected with taxation.

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[27] To provide for a Bureau of Prohibition in the Treasury Department, hearing before the Committee on Judiciary, House of Representatives, Sixty-eighth Congress, 1st session on H. R. 6645, Serial 28.

Bureau of Prohibition, hearing before a subcommittee on the Judiciary United States Senate, Sixty-eighth Congress, 2nd session on H. R. 6645.

These fears appear to have been unfounded, as the trade representatives seem to be satisfied with the administration of the law. The successful operation of the permissive phases of the law is no doubt due to the fact that the chief of the industrial alcohol division, a chemist familiar with the needs of the industries, was promoted to the position of Commissioner of Prohibition.

This act became effective April 1, 1927, on which date the Acting Secretary of the Treasury issued an order providing for the assignment of duties.[28] To the Commissioner of Prohibition and his subordinates were assigned duties and powers as follows:

> [Sec.] IV. Relating to Prohibition.
>
> (1) . . . all the rights, privileges, powers, and duties conferred or imposed upon the Commissioner of Internal Revenue . . . by the national prohibition act as amended, or by the act entitled "An act supplemental to the national prohibition act," approved November 23, 1921, and the power conferred upon the Commissioner of Internal Revenue to remove distilled spirits from any internal-revenue bonded warehouse to any other such warehouse, for the purpose of concentration, and to prescribe the form and penal sum of bonds covering distilled spirits in any such warehouse and in transit between such warehouses, except that all moneys shall be received and accounted for by the collectors of internal revenue, under the direction of the Commissioner of Internal Revenue;
>
> (2) . . . all the rights, privileges, powers, and duties conferred or imposed upon the Commissioner of Internal Revenue . . . by any law, in so far as such rights, privileges, powers, and duties relate to—
>
> (a) The production, custody, and supervision of distilled spirits, alcohol, wines, fermented liquors, cereal beverages, denatured alcohol, and other such liquors and liquids;
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> (b) The establishment, construction, operation, custody, and supervision of distilleries, industrial alcohol plants, bonded warehouses, denaturing plants, wineries, bonded wine storerooms,

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[28] Secretary of the Treasury, Annual Report, 1927, p. 340 *et seq.*

breweries, rectifying houses, dealcoholizing plants, cereal-beverage plants, and other places at which such spirits, liquors, or liquids are produced or stored;

(c) The determination, assertion, and compromise of liability for, and the institution and compromise of suits for the recovery of internal-revenue taxes and penalties, but only in case a violation of law relating to the enforcement of the eighteenth amendment is involved, except that all moneys shall be received and accounted for by the collectors of internal revenue, under the direction of the Commissioner of Internal Revenue;

(d) Inquiries and investigations relating to the filing of returns for occupational and commodity taxes and penalties in respect of intoxicating liquors, cereal beverages, and denatured alcohol;

(e) The seizure, for violation of the internal revenue laws relating to intoxicating liquors, cereal beverages, and denatured alcohol, of property, whether real or personal (except seizure under distraint warrant), and the custody, control, sale, and disposition of property so seized;

(f) The discharge of liens, under section 902 of the revenue act of 1926.[29]

3. All regulations shall be prescribed by the Commissioner of Prohibition, with the approval of the Secretary of the Treasury.

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[29] Section 902 of the revenue act of 1926 reads as follows: "(a) Any lien, under section 3251 of the Revised Statutes, as amended, on any land or any building thereon shall be held to be extinguished, if (1) such land and building are no longer used for distillery purposes, and (2) there is no outstanding liability for taxes or penalties imposed by law on the distilled spirits produced therein, and (3) no litigation is pending in respect of any such tax or penalty.

"(b) Any person claiming any interest in any such land or building may apply to the collector for a duly acknowledged certificate to the effect that such lien is discharged and, if the Commissioner determines that any such lien is extinguished, the collector shall issue such certificate, and any such certificate may be recorded."

Section 3251, Revised Statutes, reads in part as follows: "Every proprietor or possessor of, and every person in any manner interested in the use of, any still, distillery, or distilling apparatus, shall be jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom, and the tax shall be a first lien on the spirits distilled, the distillery used for distilling the same, the stills, vessels, fixtures, and tools therein, the lot or tract of land whereon the said distillery is situated, and on any building thereon from the time said spirits are in existence as such until the said tax is paid."

[Sec.] VI. . . . relating to narcotic drugs.

(1) There are hereby conferred and imposed upon the Commissioner of Prohibition, subject to the general supervision and direction of the Secretary of the Treasury all the rights, privileges, power, and duties conferred or imposed upon the Commissioner of Internal Revenue . . . by the Harrison Narcotic Act, as amended, or by the act entitled "An act regulating the manufacture of smoking opium within the United States and for other purposes," approved January 17, 1914, in so far as such rights, privileges, powers, and duties relate to—

(a) The investigation and the detection and punishment of violations of either of the above laws, or any regulations issued thereunder;

(b) Exemptions from any of the provisions of the above laws;

(c) The books, records, and returns required to be kept or rendered, under any of the above laws;

(d) The prescribing of forms and order forms under any of the above acts;

(e) The manner in which the record of sales, exchanges, and gifts of tax-exempt preparations and remedies containing narcotic drugs shall be kept;

(f) The manner in which application shall be made for confiscated narcotic drugs;

(g) The appointment of a committee for the certification and disposition of confiscated narcotic drugs;

(h)[30] The compromise of any criminal or civil case arising under either of the above laws, in accordance with sec. 3229 of the Revised Statutes of the United States,[31] and the determination, assertion, and compromise of liability for internal revenue taxes and penalties under either of the above laws, except that all moneys shall be received and accounted for by collectors of internal revenue, under the direction of the Commissioner of Internal Revenue.

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[30] As amended November 10, 1927 (Prohibition T. D. 17).

[31] Section 3229 is as follows: "The Commissioner of Internal Revenue, with the advice and consent of the Secretary of the Treasury, may compromise any civil or criminal case arising under the internal-revenue laws instead of commencing suit thereon; and, with the advice and consent of the said Secretary and the recommendation of the Attorney-General, he may compromise any such case after a suit thereon has been commenced. Whenever a compromise is made in any case there shall be placed on file in the office of the Commissioner the opinion of the Solicitor of Internal Revenue, or of the officer acting as such, with his reasons therefor, with a statement of the amount of tax assessed, the amount of additional tax or penalty imposed by law in consequence of the neglect or delinquency of the person against whom the tax is assessed, and the amount actually paid in accordance with the terms of the compromise."

(i) Seizures, for violation of either of the above laws, of property, whether real or personal (except under distraint warrant), and the custody, control, sale, and disposition of property so seized;

(j) The appointment of such officers and employees as may be necessary for the execution of the functions imposed upon the Bureau of Prohibition relating to narcotic drugs.

(2) Power is hereby conferred upon the Commissioner of Prohibition to prescribe such regulations as he may deem necessary for the execution of the functions imposed upon him or upon the officers or employees of the Bureau of Prohibition relating to narcotic drugs, but all regulations and changes in regulations shall be subject to the approval of the Secretary of the Treasury.

Sections V and VII of the order confer on subordinate officers and employees of the Bureau of Prohibition the powers and duties enumerated in Sections IV and VI.

The powers and duties conferred on the Commissioner of Internal Revenue were as follows:[32]

[Sec.] VIII. . . .

There are hereby conferred and imposed upon the Commissioner of Internal Revenue all the rights, privileges, powers, and duties conferred or imposed upon such officer . . . by any law, except the rights, privileges, powers, and duties conferred or imposed upon any other person by Sections IV, V, VI, or VII of this order, but not excepting rights, privileges, powers, and duties relating to internal-revenue taxes where no violation of a law relating to the enforcement of the eighteenth amendment is involved. All regulations and changes in regulations shall be subject to the approval of the Secretary of the Treasury.

The Commissioner of Internal Revenue and the Commissioner of Prohibition may, if they are of opinion that the good of the service will be promoted thereby, prescribe any such regulation or change in regulation jointly, subject to the approval of the Secretary of the Treasury.[33]

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[32] Secretary of the Treasury, Annual Report, 1927, p. 345.

[33] This paragraph added November 10, 1927 (Prohibition T. D. 17).

Division of Enforcement Duties, 1927. On May 18, 1927, the Assistant Secretary of the Treasury issued a memorandum to the several offices concerned relative to prevention of smuggling of liquor and narcotics which reads in part as follows:[34]

> The department desires to take full advantage of the last two years' experience in stopping the smuggling of liquor, of the increased facilities of the Coast Guard now equipped with suitable ships for their peculiar functions, of the treaties and arrangements made with foreign countries, and of the information and increased ability developed in the personnel of all services out of their experience—to consolidate all these elements into a plan to stop, once for all, the smuggling of liquor into the United States in commercial quantities. The department is determined to undertake this vigorously, and at the same time to add to the efficiency of its efforts to stop the smuggling of narcotics.
>
> To make this determination effective, a continuing committee is established, to be known as the committee on the smuggling of liquor and narcotics, consisting of the Assistant Secretary of the Treasury supervising Coast Guard, Customs, and Prohibitions; the chief, office of foreign control; the chief intelligence officer of the Coast Guard; the Assistant Commissioner of Customs; the Deputy Commissioner of Customs in charge of the special agency service; the Assistant Commissioner of Prohibition; the Deputy Commissioner of Prohibition (narcotics); and the chief prohibition investigator. This committee is charged with devising and operating a detailed plan for such coöperative work on the part of the office of foreign control, the Coast Guard, the Customs, and the Prohibition Services, as will assign to each its definite detailed function and responsibilities, the methods by which information will be collected, interchanged and disseminated for prompt use, the methods by which information and evidence will be used, and any other detailed instructions to the units concerned, all for the purpose of preventing the smuggling of liquor and narcotics into the United States and of apprehending and punishing those parties within our jurisdiction who are engaged in this business.
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> This general instruction is isssued in order that each chief of bureau may understand the part each of the bureaus has to perform in this plan, and at the same time be prepared to give

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[34] Secretary of the Treasury, Annual Report, 1927, p. 351 *et seq.*

the necessary instructions to his subordinates to carry out their respective parts. The plan contemplates the elimination of overlapping efforts, the fixing of clearly defined responsibilities and close teamwork in certain phases, a continuous and intimate interchange of information, and, in a word, makes of the intelligence and investigating forces of all the services practically one machine for the accomplishment of a common purpose. The preparation of the detailed instructions to put this into effect demands collaboration in their preparation, and a clear understanding, on the part of each element, of the functions of the other elements in order that the machine may operate smoothly. This initial General Instruction, therefore, includes in general terms a description of the function of each of the five units concerned.

Office of foreign control. This office has been created to take advantage of the opportunities made possible by the treaties and administrative arrangements made with foreign nations, and to take advantage of the splendid coöperation afforded by the State Department in dealing with these nations and our foreign consuls, for the purpose of putting out of business those ships engaged in smuggling, where evidence exists that they are violating existing laws. Its effective work results primarily in preventing the shipments of liquor leaving the foreign ports. A secondary function is to obtain information of value to the Coast Guard in intercepting the shipments before they reach our shores; and in obtaining evidence of law violations for uses both in foreign ports and in making domestic conspiracy cases. This office gains information and secures evidence and uses both through diplomatic and other proper channels so that we may more and more embarrass, handicap, and render unprofitable the business of liquor smuggling from abroad. All its effective work is based upon the prompt use of accurate information about the activities of the smugglers. Therefore, every member of all services must appreciate the value of any detailed information regarding the personnel and material engaged in smuggling operations, and thus be interested in forwarding it promptly as directed, whenever and wherever obtained.

It is not advisable to describe just how the office of foreign control works. It is enough to know that it is prepared to use information of illegal practices to prevent the sailing of ships engaged in smuggling and the intercepting of cargoes intended to be smuggled. Like the Coast Guard, its primary function is preventative; yet both services supply vital information and evidence for use by Customs and Prohibition in making those conspiracy cases against those engaged in the organized smuggling traffic designed to put them out of business and into jail.

Coast Guard. The Coast Guard is charged with preventing the arrival in port of ships engaged in smuggling or the landing of liquor outside the Customs lines. The control of the Coast Guard personnel and material for this purpose is in the hands of the commandant of the Coast Guard, who disposes of them to best meet the changing conditions as they arise. His present organization is as follows:

The Coast Guard consists of approximately 33 cruisers, 25 destroyers, 33 125-ft. and 10 100-ft. off-shore patrol vessels, 200 75-ft. patrol vessels, 125 picket boats, 34 harbor vessels and miscellaneous craft, and 277 Coast Guard (life-saving) stations with life boats at each. This equipment is manned by approximately 11,000 officers and men.

The force is mobile and can be handled with rapidity through an elaborate communication system, the service having under its control many radio stations and several hundred miles of telephone and telegraph lines along the coast. For purposes of command the entire strength is divided as follows:

* * * *

To each division, in accordance with its needs, a force of ships, boats, officers, and men is assigned, and this force operates from the various bases within the division, and under the direct orders of the division commander.

In addition to the above, the following forces are in being:

The destroyer force, with headquarters on the flagship *Argus,* now at New London, Conn.; the off-shore patrol force, whose vessels operate on the Atlantic and Gulf Coasts; and the Bering Sea patrol force, with flag at Unalaska.

The 277 Coast Guard (life-saving) stations are organized in districts with district commanders in charge, and coöperate with but are independent of the forces afloat. The districts are described as follows:

* * * *

The Coast Guard is by law a part of the military forces of the United States, and its organization, administration, and methods of operation are in strict conformity with that status.

The Coast Guard intelligence office is charged with securing and disseminating military information for the Coast Guard, and also with maintaining liaison as regards this intelligence with all other departments of the Government concerned and with the other bureaus and offices of the Treasury Department. It collects, sifts, classifies, files, and keeps ready for immediate use, and uses as directed by the commandant, the latest obtainable intelligence concerning all movements of liquor ships and personnel engaged in smuggling at home and abroad. Many of these duties parallel but do not duplicate those performed by the office of foreign control. Here again detailed information is of great importance, and most important of all is the establishment of such lines of communication as will result in live information reaching its destination in time to be effective.

The Coast Guard reports to Washington by telegraph immediately an important seizure is made and turns each seizure over to the collector of customs, together with all possible evidence which it can develop, and reports thereafter to headquarters all pertinent information it has obtained in the case.

By interchange of information with other services, the intelligence office will keep in touch with operations on our own coast, keep the Coast Guard informed on pertinent matters, keep the other services informed on captures and other pertinent matters, and be prepared to furnish any available information to other services concerning pertinent matters that may be in its file.

Bureau of Customs. Every foot of land or water border of the United States belongs to the jurisdiction of some one collector of customs, whose responsibility it is to prevent smuggling thereat. As regards the illegal entry of liquor and narcotics into the United States, the customs service is charged with the enforcement of the tariff, navigation, and other laws applicable to the situation.

As provided by section 605 of the tariff act of 1922, all vessels, vehicles, merchandise (liquors or narcotics), and baggage seized under the provisions of the customs laws, or laws relating to the navigation, registering, enrolling, licensing, entry or clearance of vessels, unless otherwise provided by law, shall forthwith be delivered to and remain in the custody of the collector for the district in which the seizure was made to await disposition according to law.

Within the Bureau of Customs the special agency service is charged with those particular intelligence and investigating duties in the prevention of smuggling which pertain to the operation of this plan. There are nine of these special agency districts in the United States and one in Canada, in each of which one or more special agents will be designated whose duty it will be to take care of all important liquor smuggling cases within their district. All customs officers will be instructed to report through the collector to the designated agent in their respective districts all pertinent facts regarding important liquor seizures made by them, and all evidence or information coming into their possession regarding the operation of individuals, vessels, airplanes or vehicles which might be part of major liquor smuggling operation.

These designated special agents are charged, each in his own district, with the duty of making all liquor-smuggling cases for presentation to the proper United States attorney. Due to the paucity of personnel and of facilities, and because many cases will ramify far into the interior, it will often be advisable that individual cases of liquor smuggling be made by the prohibition investigating service, rather than by the special agents of customs. It is vitally important, therefore, than these two services maintain intimate relations of coöperation and collaboration. In each individual case, however, the sole responsibility for the development and presentation of the particular case must rest in the one or the other. Because these custom cases are primarily the responsibility of the special agency service, it is directed that the special agent concerned be charged with the responsibility of determining, in each case, whether he will conduct it himself or turn it over to the prohibition service.

In each case of seizure, the Coast Guard having notified the collector or the special agent concerned with all possible expedition, the special agent will, if possible, secure a representative of the United States attorney and of the prohibition liaison agent to accompany him or to join him at the earliest practicable moment in the reception of the seizure from the Coast Guard, and in making the preliminary investigation and search for all possible evidence. As soon thereafter as circumstances and the developments of the case admit of a determination, the special agent will decide whether he or the liaison agent will conduct the case, and act accordingly. In either event each service will render the other every possible assistance in the prosecution of the case. It may occur that in the later developments of a case assumed by the special agency service, it will have reached such territorial proportions that greater efficiency will result from turning it over to the prohibition liaison agent. In such cases, report with recommendations will be made to the respective intelligence chiefs in Washington, who will decide how the case will be continued.

All information collected by the designated special agents in the field will be promptly forwarded to the chief of the special agency service in Washington, who will maintain a file of all this information and evidence constantly available to those special agents who may thus obtain additional evidence when making conspiracy cases, and available to the intelligence chiefs of the other services concerned.

In the matter of narcotic-smuggling it is vitally important that all information of any narcotic-smuggling activities, either as to personnel or methods, or practices, be immediately transmitted to the narcotic agent in charge in the district concerned. Each and every customs officer will therefore immediately communicate to the designated special agent of his district any such information which he may obtain. The special agent will immediately communicate this information to the narcotic agent in charge in his district. The narcotic agent will act on this information if it be practicable, and will forward to his chief in Washington such of this information as the chief directs. Where the customs special agency service has a live lead, or information or evidence indicating an attempted smuggling operation, he must immediately notify the narcotic agent in charge so that the narcotic agents may collaborate with customs in making the case. As in liquor cases, so in narcotics, the special agent of customs is charged with the responsibility of making these narcotic smuggling conspiracy cases. In each case the special agent must decide whether he will himself conduct the investigations and make the conspiracy case, or will turn it over to the narcotic agent in charge. One or the other must take the sole responsibility and leadership in making the case, and the special agent of customs makes this decision. Whichever one makes the case, the other service must collaborate, giving every possible assistance, and supplying all possible evidence and information. There is no place for jealousy or rivalry between these two services. It is recognized in the very nature of the case that the narcotic agents are specialists in this difficult work, and have access to all manner of information which is not accessible to the customs special agency forces. It is hoped that they will recognize the vital necessity of whole-hearted collaboration—and there will be credit enough for both if they succeed in breaking up the organized smuggling rings.

Prohibition. The Bureau of Prohibition is charged with the enforcement of both the prohibition and narcotic laws and, for this purpose, is separated into two distinct units. The main objective in the enforcement of the prohibition law is the elimination of the commercialized traffic in intoxicating beverages. As regards the particular subject of liquor smuggling, the Prohibition Unit's function lies behind the customs lines, and will be exercised primarily in obtaining evidence of those phases of smuggling operations concerned with the transportation and distribution of smuggled liquor, and the illegal activities of those engaged in this business. The officers of this service should all be alert to secure information and evidence of these various activities; to use the information to effect the elimination of the traffic, and to use the evidence to prosecute and punish those conducting it and responsible for it.

* * * *

As indicated, its functions should broadly be segregated in two classes:

The first is the gathering, classifying, correlating, filing, and disseminating of information not strictly local in character, covering violations of the national prohibition act and the related statutes.

The second is to investigate fully all of those violations of the national prohibition act and related statutes not specifically entrusted to the several administrators and to the customs force, but to be prepared none the less to supplement the forces of the administrators and the Customs Service when called upon through suitable channels so to do.

In order that there may be no overlapping in the exercise of the functions outlined above, it has been deemed proper to establish in each administrative district a representative of the field division (chief investigator's office), to be designated liaison agent, whose duties shall be:

(a) To determine (with the coöperation of the respective administrators) what information developed through local enforcement is suitable and proper for the centralized files of the field division.

(b) To take over from the administrator such investigations as may be *prima facie* interdistrict violations or leading to interdistrict inquiry.

(c) To take over from the designated special agent of customs the investigation and prosecution of such cases as he may turn over.

Too much stress cannot be laid upon the fact that the representatives of the chief investigator's office in the field—*i. e.,* the liaison agents—will function only upon agreement with either the administrators or the properly designated customs officials, it being essential in the interest of both economy (as regards overlapping) and of harmony that a distinct line of demarcation be set up for the guidance of the chief investigator's force.

In order to maintain, at their maximum value, the information files referred to earlier in this statement, information received from the office of foreign control and from the intelligence service of the Coast Guard should be embodied therein to be used wherever pertinent in making cases or in supplying information and evidence to administrators. This gives the central file the maximum value to both liaison agents and administrators in the field and again illustrates the urgent necessity that all field officers send to their respective headquarters detailed information as to law violators and violations which may later be of great value in making cases.

* * * *

For the enforcement of the narcotic laws the United States is divided into fifteen divisions, and the designated narcotic agent in charge directs the work of the field agents in each of these divisions. While their normal work is quite distinct from that of the prohibition enforcement agencies, their activities often bring them accurate information of prohibition law violations and liquor-smuggling activities. These narcotic agents can thus be of tremendous value to our general plan, and the Deputy Commissioner of Prohibition in charge of narcotics will instruct all his men to promptly transmit information or evidence of major violations, through their narcotic agent in charge, to the prohibition liaison agent; and likewise the Commissioner of Prohibition will transmit instructions to all prohibition enforcement officers to transmit, through their liaison agent, to the narcotic agent in charge, any valuable information or evidence bearing on narcotic law violations. Here again two services can be mutually helpful, and it should be the aim of the higher officers of both services to bring about such a spirit of coöperation and good fellowship in a common cause as will result in both services being benefited, each through the assistance of the other.

Summary. I wish a copy of this general instruction given to each individual member of each organization in order that he may personally understand that the success of our purpose to stop smuggling rests largely in the hands of the individual members of each organization—thus each man may be led to play his part in the plan intelligently and energetically. The one big thing in which everyone should be keenly interested is getting accurate and detailed information promptly into the hands of those who are to use it, and ultimately into the central office in Washington, where it can be studied, classified, and made available to the agencies charged with making the conspiracy cases or conveying information essential to the operation of the different parts of the plan.

Foreign control will thus be better and better able to supply information and evidence of illegal practices, which will result in putting more and more ships and shipments out of business. The Coast Guard being better advised of the various movements and activities of the smugglers, and being better equipped with suitable ships, will make it more and more difficult for the ships which have cleared the foreign ports to be able to deliver their cargoes, either in our ports or to coastwise and other similar shipping which may introduce it into our ports. Customs officers, being better informed as to the personnel engaged in smuggling, as to their methods of procedure and what efforts they are making and where making them, will be better able to intercept these shipments either by water, rail, airplane, or motor trucks; and the special agents of customs receiving the results of all these seizures, and having available more and more detailed evidence of the activities of the smugglers, will be able, more promptly and accurately, to prepare well-made and hole-proof cases against the smugglers for presentation to the courts, resulting in the confiscation of the smugglers' illicitly used property and in the punishment of the persons involved in these conspiracies to violate our laws. Likewise, in the case of the liaison agents in the prohibition administrators' offices, who will undoubtedly handle a great many of these smuggling cases turned over by the special agents of customs, the constantly increasing fund of detailed information and evidence made available through the central office in Washington will more and more enable these cases to be made rapidly and accurately, and more comprehensively in bringing more nearly all of the persons involved into the net of the conspiracy case. Likewise, in narcotic control, with all this coöperative effort and added information, and particularly with the assistance which may thus well be rendered through the office of foreign control, it should be possible to make very material progress in stopping the smuggling of narcotics, which is today practically the sole source for the illicit business conducted in narcotics. And with all this added information narcotic agents in charge should find it possible to make many successful conspiracy cases against the organized operators in narcotic smuggling.

With this picture before them, I believe the members of all our organizations will find themselves sufficiently interested to take time to report to their proper chiefs all those detailed facts bearing on smuggling activities which may prove of great value to our work, giving names and descriptions so accurately as to make their reports available for information and for evidence.

It is recognized that the Coast Guard and Customs Services have but limited funds for this intelligence work, and it is true that all this work has its direct bearing on the ultimate enforcement of the prohibition and narcotic laws; it is therefore directed that, where necessary, clerical assistance shall be furnished by detail or assignment from the Prohibition Service in order that these headquarters files may be maintained at the maximum of efficiency.

It is not deemed practicable to give detailed instructions for the different services in this general instruction. These detailed instructions, each to his own service, will be prepared in each bureau, but in collaboration with the other bureaus to assure avoiding any overlapping and to assure efficiency and accuracy in the working of the plan. And, in order that the members of each organization may understand not only their own duties but how their duties fit in to the general plan, and what the members of the other organizations are doing, copies of the detailed instructions in each bureau will be furnished to the other bureaus for dissemination throughout their organizations.

On January 1, 1928, the control over industrial alcohol was stiffened by setting a definite limit to the amount that could be produced. An endeavor was made to limit production to the needs of legitimate industry, and to avoid an accumulation which might lead to diversion. Each plant was allotted a fixed quota, with the further provision that only 40 per cent could be produced during the first six months.

Aid to Narcotic Enforcement, 1928. The act of March 28, 1928 (45 Stat. L., 374), authorized the advance of money to narcotic agents to purchase drugs in order to obtain evidence of sale. Prior to the passage of the act an agent was required to make purchases with his own funds, reimbursement afterward being made to him by the Treasury. As a considerable sum was required at times, the previous statutory requirement interfered with operations. It is expected that the new law will facilitate the procuring of evidence of sale.

Increased Appropriations, 1929. When the Treasury Department appropriation bill for the fiscal year 1930 was before the Senate an amendment was adopted increasing the appropriation for the Bureau of Prohibition from $13,500,000 to $270,627,384.[35] This amendment was introduced and advocated by a Senator who was not in sympathy with the prohibition amendment. The House of Representatives refused to agree to the amendment, and the conferees finally agreed to eliminate the increase, the action of the conferees being upheld by the Senate by vote of 38 to 35.[36]

When the First Deficiency Bill (H. R. 15848) was under consideration in the Senate an amendment was adopted appropriating $24,000,000 for "increasing the enforcement force," the money to be allocated by the President to any of the services, and to remain available during the fiscal year 1930. There was also inserted an item appropriating $250,000 for a thorough inquiry into the problem of the enforcement of prohibition, to be expended under authority and by direction of the President.

The circumstances surrounding these amendments differed from the earlier one, as the proposer of the increased appropriation was in sympathy with prohibition enforcement, and an appropriation of $25,000,000 was recommended by the Senate Committee on Appropriations. In general the amendment received the support of the "dry" Senators, although it is likely that many of the opposition members voted for it in order to embarrass the administration.

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[35] Cong. Record, Daily edition, December 13, 1928, p. 536.

[36] *Ibid.,* December 17, 1928, p. 731.

While the bill was pending in the Senate the Secretary of the Treasury wrote the following letter to the Chairman of the Committee on Appropriations:[37]

> In acknowledging receipt of your letter of January 11, in which you state that the First Deficiency Bill has been reported to the Senate with the inclusion of an item of $25,000,000 for the Bureau of Prohibition, for prohibition enforcement, and that it is the wish of the Committee that the Treasury Department furnish a statement as to whether in the opinion of the Department such a sum could be judiciously expended, and if granted by Congress how such an amount would be allocated, permit me to give you a brief general statement on the subject of prohibition enforcement.
>
> The problem of prohibition enforcement has many ramifications and its successful solution depends not only on ample appropriations for the Bureau of Prohibition but on the activities and situation of other departments and bureaus of the Government. The question, therefore, of whether an increase of $25,000,000 in the amount appropriated for the Bureau of Prohibition will accomplish the results desired by the Congress and this Department, is not one that can be answered without a thoroughgoing survey of the entire field, for I assume, of course, that if any such large sum is to be appropriated, the Congress will desire it to be used with the utmost effectiveness and in a way calculated to bring about the greatest results. For instance, one of the major difficulties encountered in making the prohibition laws truly effective is the congestion in the United States courts occasioned in large part by numerous pending prohibition cases. It would seem desirable, therefore, if the Congress deems it advisable to appropriate an additional sum of $25,000,000 for this general purpose, that some consideration should be given to whether a part of this sum at least should not be allocated to the Department of Justice. As to the needs of the Department of Justice I am, of course, not in a position to express an opinion.
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> The problem of smuggling is an important one. Its prevention is largely dependent, in so far as our sea coast is concerned, on the adequacy of the fleet maintained by the Coast Guard

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[37] *Ibid.*, January 17, 1929, p. 1872.

and in part on an adequate customs force at our various ports; and in so far as our land borders are concered, on an effective patrol of the borders. On account of our failure thus far to secure a satisfactory agreement with Canada, which, in my opinion, would materially reduce the liquor traffic coming over the Canadian border, the necessity of a thorough-going survey as to the best means of increasing the effectiveness of our border patrol is apparent. This the department has recently undertaken.

In so far as the Coast Guard is concerned, some time ago I instructed Admiral Billard to submit a report as to the adequacy of the present Coast Guard fleet, together with an estimate of the Coast Guard building needs over the period of the next five years.

The problem of securing the necessary personnel under the provisions of existing law applying the Civil Service to the Bureau of Prohibition and Customs Border Patrol must likewise be taken into consideration. Up to the present time, it has been possible to make permanent appointments for only a portion of the service and it is anticipated that many months will elapse before the provisions of the Civil Service Act can be fully applied through the furnishing of adequate eligible registers for the present positions.

In so far as the Bureau of Prohibition itself is concerned, some additional funds could be advantageously used at the present time in increased investigational activities and in a well-considered educational program. Looking to the future, it will no doubt be advantageous to provide additional funds for increased border patrol of the Customs Service and an increased Customs force at some of the principal ports of entry, and increased equipment for the Coast Guard.

The Department desires, of course, to see every reasonable provision made for the adequate enforcement of the law, but I do not believe that any such large sum as is provided for in the present Deficiency Bill should be appropriated until the surveys above suggested have been completed and until it can be determined how any increased amounts can be most wisely and effectively expended. In other words, I am not prepared to say that prohibition enforcement cannot be made more effective by the expenditure of increased amounts for this purpose, but I do feel that no such appropriations should be made until they can be definitely allocated to certain specific purposes, and that any other method of procedure will necessarily result in the extravagant use of the public funds.

On January 21, the Secretary of the Treasury wrote to one of the prohibition leaders not a member of Congress in part as follows:[38]

> I note that in your telegram you suggest that the restrictions be removed and that $25,000,000 be made available to the Secretary of the Treasury to spend as he sees fit. This, of course, is not the Harris amendment now pending in Congress; and aside from the fact that it would make no provision whatsoever for relieving the congestion in the courts, which to-day constitutes one of the major problems in the field of prohibition enforcement, I want to suggest whether you consider it good practice to place so vast a sum in the hands of a public official with unlimited discretion as to its use? It makes no difference whether that official be the Secretary of the Treasury or some other chief of an executive department of Government, I do not believe that adequate protection of the public interests and the proper safeguards that should always surround the expenditure of public funds can fairly be said to have been provided for if an appropriation of this character is made. Such a program would break down the safeguards of the Budget system, and the effective and proper control which Congress exercises over the expenditure of the public funds. I think that upon second consideration you will realize that this is not a minor question but a fundamental one, and that in the long run, whether in the prohibition field or in any other field of government, infinitely more is lost than gained if for the sake of accomplishing immediately a purpose, no matter how desirable, a fundamental principle of good government and sound practice is violated.

After considerable debate the amendment was adopted by the Senate by a vote of fifty to twenty-seven.

After the Senate passed the increased appropriation the Secretary of the Treasury sent the following letter to the Chairman of the House Committee on Appropriations:[39]

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[38] *Ibid.*, January 31, 1929, p. 2643.

[39] Treasury Department press release.

The Senate, on Tuesday of this week, adopted the following amendment to the Deficiency Appropriation Bill:

> "For increasing the enforcement force, $24,000,000, or such part thereof as the President may deem useful, to be allocated by the President, as he may see fit, to the departments or bureaus charged with the enforcement of the national prohibition act, and to remain available until June 30, 1930."

It is my understanding that in order to make prohibition enforcement more effective the Senate intended to provide additional funds for certain purposes, such as: the relief of the congestion in the courts; increasing the fleet, equipment, and personnel of the Coast Guard; increasing the effectiveness of the Customs Service, including the Border Patrol; and increasing the personnel of the Bureau of Prohibition and the Department of Justice; and that inasmuch as it was impossible definitely to allocate the sums to be spent for certain specified purposes at this time, the additional funds provided were to be allocated as the President in his discretion might decide.

I feel that it is my duty to point out to you that an examination of the amendment reveals that it will not accomplish the purpose intended. The appropriation will not be available for any of the purposes above enumerated, except increasing personnel of the Bureau of Prohibition and the Department of Justice, nor will it be available for the conduct of an educational program which may have been contemplated.

The amendment as adopted provides funds "for increasing the enforcement force." Granting that the language should be construed most liberally and in the light of the desired ends which the Senate was seeking to accomplish, I fear that the appropriation would not be available for more than an increased personnel. Even such essential incidental expenses necessarily accompanying an increased personnel, such as rent, office equipment and supplies, and travelling expenses could not be paid from it.

Again, the President may allocate the appropriation, for the above purpose, only "to the departments or bureaus charged with the enforcement of the national prohibition act." Only the Department of Justice and the Bureau of Prohibition of the Treasury Department qualify under this language. Neither the Judiciary, the Coast Guard, the Customs Service, nor the Civil Service Commission is included.

I bring this matter to your attention in order that the true intent of Congress may be accurately expressed before the bill is enacted into law, if it is determined that additional funds should be appropriated.

The conferees agreed to all the items in disagreement except the one for prohibition enforcement, and as each house upheld its conferees a prolonged deadlock resulted.

On February 21 the House Committee on Appropriations reported the Second Deficiency Bill (H. R. 17223) and embodied in it as a separate title all the provisions of the First Deficiency Bill that had been agreed to by the conferees. As no agreement had been reached on the prohibition enforcement item, that appropriation was omitted. On the same day the President transmitted to Congress estimates for additional appropriations as follows:

Department of Justice (House Document 604, 70th Congress)	
Pay of special assistant attorneys	$121,600.00
Miscellaneous expenses	28,800.00
	$150,400.00
Civil Service Commission (House Document 605, 70th Congress)	
Salaries	$120,000.00
Traveling expenses	26,500.00
Contingent expenses	3,500.00
	$150,000.00
Treasury Department (House Document 606, 70th Congress)	
Bureau of Customs	$707,860.00
Bureau of Prohibition	1,719,654.00
	$2,427,514.00
Total	$2,727,914.00

The estimate for the Department of Justice was to provide sixteen additional special assistant attorneys to prosecute offenders, that for the Civil Service Commission was to pay for the expenses of examinations for the Prohibition Service, that for the Customs Service was to prevent the smuggling of liquor, and that for the Bureau of Prohibition was to expand the regular work of that Bureau.

The Second Deficiency Bill as introduced in the House carried appropriations of $156,500 for the Civil Service Commission; this was increased in the House by a committee amendment to $200,000.[40] The items for the Department of Justice and for the Treasury Department were also added in the House to the bill as committee amendments.[41]

The item for the Bureau of Prohibition contained the provision that not exceeding $50,000 of the total might be expended "for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing and other necessary expenses connected therewith."

The action of the conferees resulted in the separation of the two deficiency bills, both being approved March 4, 1929. The First Deficiency Act became Public No. 1034 (45 Stat. L., 1607) and the Second Deficiency Act became Public No. 1035 (45 Stat. L., 1623).

The additional items for the Civil Service Commission, the Department of Justice, and the Bureau of Customs were included in the Second Deficiency Act. The appropriation of $1,719,654 for the Bureau of Prohibition was substituted in the First Deficiency Bill for the Senate amendment providing $24,000,000. The item of $250,000 for an inquiry into the problem of the enforcement of prohibition, originally included in the First Deficiency Bill, to be expended under authority and by direction of the President, was adopted, but was broadened to include the investigation of the enforcement of other laws.

The additional appropriations for the Civil Service Commission, the Department of Justice, the Prohibition Bureau, and the investigation of law enforcement were made available during the remainder of the fiscal year 1929 and the fiscal year 1930, while the additional appropriation for the Bureau of Customs was for the fiscal year 1930 only. An additional item for $200,000 for enforcement of the narcotic laws during the fiscal year 1930 was added to the Second Deficiency Bill by the Senate, but there was no serious disagreement over this item, and it was accepted by the House without debate.

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[40] Cong. Record, Daily Edition, February 23, 1929, p. 4225.

[41] *Ibid.*, February 23, 1929, pp. 4231-36.

As a result of the additional appropriation carried in the deficiency act there had been appointed by the middle of June 281 agents and senior investigators in the prohibition districts and 89 special agents and senior investigators in the Special Agents Division.[42]

Increased Penalties, 1929. Increased penalties for violation of the National Prohibition Act were provided by the act of March 2, 1929 (45 Stat. L., 1446). Under the act of 1919 the penalties were as follows: For manufacturing or selling, first offense, a fine of not more than $1000 or imprisonment for not more than six months; for manufacturing or selling, subsequent to first offense, a fine of not less than $200 or more than $2000 and imprisonment for not less than one month nor more than five years; for other violations a fine of not more than $500 for the first offense, a fine of not less than $100 nor more than $1000 and imprisonment for not more than ninety days for the second offense, and a fine of not less than $500 and imprisonment for not less than three months nor more than two years for any subsequent offense (41 Stat. L., 316).

The act of March 2, 1929, provides that the maximum penalty for any offense shall not exceed $10,000 or imprisonment not to exceed five years or both. The minima are not changed, and the new act further provides that " it is the intent of Congress that the court, in imposing sentence hereunder, should discriminate between casual or slight violations and habitual sales of intoxicating liquor, or attempts to commercialize violations of the law."

This legislation does not change the duties or powers of the Bureau of Prohibition in any way. As this volume goes to press the law had not been in force long enough to judge of its effect. As it leaves a wide discretion to the court the temperament of the individual judges may result in considerable variation in different districts. The prospect of a heavy fine and of imprisonment for a first offense may act as a deterrent, but on the other hand the juries may be more unwilling to convict.

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[42] Letter from Assistant Secretary of the Treasury: Cong. Record, Daily Edition, June 14, 1929, p. 2914.

The possibility of heavy penalties for first offenses will probably deter many violators from pleading guilty, and increased congestion of court dockets may follow.

Legislation Regarding Storekeeper-Gaugers, 1929. The safeguarding of alcoholic liquor being manufactured and in storage is under the immediate direction of storekeeper-gaugers, who prior to April 2, 1929, were known as storekeepers, gaugers, and storekeeper-gaugers, and who were paid only for the days actually employed. The act of March 2, 1929 (45 Stat. L., 1496), effective April 2, 1929, provides that storekeeper-gaugers shall be full time employees paid on an annual basis, and when not employed in the discharge of their regular duties they may be assigned to other work, and that they shall have the same leave of absence as other employees of the government, namely thirty days annual and thirty days sick leave in place of the cumulative leave of absence of one and one-quarter days for each twenty-six days of actual service granted by the act of June 23, 1910 (36 Stat. L., 592). This legislation placed the storekeeper-gaugers on a par with all other employees of the Bureau as regards salary and leave of absence.

The Personnel Problem, 1920-1929. A noteworthy feature of the national prohibition act was the provision that there might be appointed without civil service examination executive officers having " immediate direction of the enforcement of the provisions of this act, and persons authorized to issue permits, and agents and inspectors in the field service." As a rule during recent years the laws creating new government organizations have been silent regarding the requirement of civil service examinations. Consequently, the employees are brought automatically within the classified civil service, the President having power under the general law to exempt from examination such positions as he deems desirable.

Six years earlier, a deficiency appropriation act carried permanent legislation, contrary to the rules of both houses, permitting the appointment without examination of deputy collectors of internal revenue and deputy marshals, "who may be required by law or by authority or direction of the collector of internal revenue or the United States marshal to execute a bond . . . to secure faithful performance of official duty" (38 Stat. L., 208).

This act had at least the tenuous defense that the deputy was a confidential appointee doing acts for which his superior might be sued on his bond, but even this defense falls when a bond is required from the deputy. In the practical application of the statute, persons performing the duties of minor clerks might be appointed deputy collectors, required to give bonds, and thus escape the civil service examination. This was evidenced by the number of deputy collectors appointed. In June, 1921, there were in sixty-four collection districts 4168 deputy collectors with salaries ranging from $600 to $3600, compared with 2489 clerks with salaries ranging from $900 to $4000.

The National Prohibition Act went much further than the provisions relating to deputy collectors of internal revenue. While the act relating to deputy collectors nominally applied to a supervisory group with special responsibilities, the National Prohibition Act included not only the directing heads in the field, but also the rank and file.

It is somewhat futile to endeavor to trace the motivating force behind this step. The professional politicians looked on it with favor, although this is not reflected in documentary evidence. It was also charged that the Anti-Saloon League was responsible, because it desired to dominate the enforcement.[43] The Secretary of the Anti-Saloon League replied that when the National Prohibition Act "was passed neither the Anti-Saloon League nor any other agency, nor all combined, could have gotten into that law a civil service provision, and for the League to have forced the issue would have been to jeopardize the passage of the enforcement bill."[44]

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[43] Extension of civil service regulations to prohibition agents; hearings before the Committee on the Civil Service, House of Representatives, Sixty-eighth Congress, first session, on H. R. 6147, 1924, p. 8.

Whoever was responsible, the results were soon evident. It is true that the greater part of the evidence represents a summation of the experience of the witnesses, but their character and official position give the testimony great weight. Little correspondence dealing with the subject of appointments has come to light, and most of the direct evidence regarding the character of enforcement officers is buried in the files of the Bureau of Internal Revenue or must be sought in scattered court proceedings.

Among the correspondence that has come to light is a letter to field administrators in which they were instructed to suggest to an applicant that "he secure congressional indorsements, indorsements of the Anti-Saloon League, and other indorsements that he may be able to obtain."[45]

The federal grand jury for the Southern District of New York for the March, 1921, term reported to the court that "almost without exception the agents are not men of the type of intelligence and character qualified to be charged with this difficult and important duty and Federal law."[46]

The change of administration in 1921 brought new individuals into the enforcement personnel, but there was apparently no change in the character of appointees, as on October 27, 1922, the federal grand jury for the Southern District of New York addressed a letter to the Judge of the District Court for transmittal to the Secretary of the Treasury, a part of which read as follows:

> Apparently the agents selected for the active work of suppressing illegal traffic in whisky have been chosen principally for political reasons when it was necessary to select men for this

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[44] *Ibid.*, p. 38.
[45] *Ibid.*, p. 11.
[46] *New York Times*, April 2, 1921.

work who are worthy of confidence and of such stable character that they would not yield to the temptations to which it was well understood they would be subjected.

> These appointees, being exempt from the civil service laws, were appointed and removed without the restrictions which those laws impose, and, consequently, the office seems to have been made the dumping ground for influential politicians who secured appointments for their henchmen without proper regard for the qualifications of those chosen.[47]

On November 21, the court discharged the grand jury for making the letter public, and thereby disclosing its proceedings.[48]

A few weeks later, on December 8, President Harding made the following comment in his annual address to Congress:

> Constitutional prohibition has been adopted by the Nation. It is the supreme law of the land. In plain speaking, there are conditions relating to its enforcement which savor of nation-wide scandal. It is the most demoralizing factor in public life.

In November, 1922, the Prohibition Commissioner had stated to the House Committee on Appropriations:

> The type of our personnel during the past year has been very materially raised. It is very much improved. In the first place, the reorganization of our work was at a period when there was a very considerable amount of unemployment and really good men were looking for work, and that condition helped us very materially, so there is no question but what the type of our men has very much improved over former conditions.[49]

In 1923, the Commissioner published a book on the enforcement of prohibition, and paid the following tribute to the personnel:

> . . . Its [the Prohibition Unit's] personnel is carefully selected. It has been the policy during the past two years to

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[47] *Ibid.*, November 18, 1922.

[48] *Ibid.*, November 22, 1922.

[49] House Hearings on Treasury Department appropriation bill, 1924. Sixty-seventh Congress, fourth session, 1922, p. 496.

> make no appointments to the force of men or women unsympathetic with the purposes or the intent of the law. No man can do his best work for a cause in which he does not personally have faith.
>
> So far, therefore, as it has been possible to man the unit with employees of proved ability and of known adherence to prohibition principles, the force has been built up of men and women who believe wholeheartedly in the daily tasks they are performing and consequently have an additional incentive to make their work of the highest standard.
>
> In the face of many difficulties, and often of great temptation, this loyal force of earnest workers is making progress which cannot fail to win the admiration of those familiar with what has been accomplished and how it has been done.[50]

This optimistic view was not shared by others who were interested in the law enforcement and the proper conduct of the government. In October, 1923, Wayne B. Wheeler, General Counsel for the Anti-Saloon League made the following statement:

> Under the present system prohibition agents are chosen in most places, because of their political qualifications rather than their fitness for the position. When protests are filed and the dominant party leaders from the state insist upon the appointment of an agent, he is practically always appointed, regardless of his lack of qualifications. When the United States Senators of a dominant party and the party leaders are friendly to law enforcement, we secure, as a rule, good agents. When they are hostile, inefficient or corrupt agents are chosen.
>
> When bad agents are in the service and protests are filed against them, although the Department is convinced of their unfitness, political leaders have on many occasions required the Department to keep them in the service.
>
> Many agents, knowing the effect of political influence, hesitate to enforce the law aggressively and without fear or favor. They know that if they reach certain violators with large political influence it may work against them.[51]

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[50] Haynes, Roy A., Prohibition inside out, p. 14 (1923).

[51] *Outlook,* October, 24, 1923, p. 320.

In December, 1923, it was evident that President Coolidge did not believe that the personnel engaged in prohibition enforcement was satisfactory, for in his annual address to Congress he made the following recommendation:

> . . . I also recommend that the field force for prohibition be brought within the classified civil service without covering in the present membership. The best method for selecting public servants is the merit system.[52]

This recommendation was repeated in the following year.

A series of general hearings on the national prohibition law was held by a subcommittee of the Senate Committee on the Judiciary in the spring of 1926, at which the United States Attorney for the Southern District of New York, made the following appraisal of prohibition agents from the point of view of the prosecutor:

> . . . But about the next experiment the Government must try is to get the agents up to the caliber where they are impressive on the jury. We have no trouble with post-office inspectors.
>
> * * * *
>
> . . . I think I can carry a jury to the point of convicting in a prohibition case if everv one of them is wet, if every one of them wants the law repealed and I think I can do that on the basis that a law which is on the books and not enforced is simply subsidizing crime, is simply enriching a lawless class and, of course, inevitably corrupting government agencies. I believe that, if the testimony which is produced is such that they believe it.
>
> Now in our cases. . . .
>
> In that case the defendants did not have a chance. It did not make any difference that the jury was wet. We made no effort to weed out the wets or keep the drys. We convicted those men merely because they could see this young man was telling the truth.
>
> I do not know, but I suppose that in time and with intelligent supervision the morale and caliber of the prohibition agents

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[52] Cong. Record, Volume 65, Part 1, p. 98.

> could be raised—not very much, and not all at once. The way to start, as I see it, is to pay them twice as much as they now receive.[53]

After General Andrews became Assistant Secretary of the Treasury in 1925 it was decided to purge the service, not by a selective system of separations, but by a general termination of all appointments and a selective system of reappointment. On July 25, 1925, General Andrews sent the following letter to all field officers:[54]

> I wish to explain to the members of the organization what the new organization will mean to them personally. It is the intention of the department to select from those now in the service the men who will be retained and even promoted in the new organization. These men *will be selected for merit only,* and in *accordance with personal fitness and qualifications* for the work we are planning to do. While the process of reorganization is under way, the present organization will continue to function as is.
>
> With the advice of Commissioner Blair, Commissioner Haynes, and the heads of the Washington divisions, the department will select the twenty-four district administrators. These administrators will then go to their respective districts to study conditions and personnel with a view to selecting such personnel and recommending such organization as the conditions in their respective districts warrant. *These administrators will be given a free hand in the selection of this personnel* inasmuch as they are to be held responsible for law enforcement in their districts. The existing personnel in the mobile forces will be available for selection by the administrators.
>
> It is intended that the new organization shall be a *clean-cut business organization* for the efficient accomplishment of its purpose. Positions and salaries will be such as to afford opportunities for promotion to practically all the personnel and it is intended that regulations will be so designed as to make *promotion for merit assured.* In the future, *tenure of office and*

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[53] The National Prohibition Law, hearings before the sub-committee of the Committee on the Judiciary, United States Senate, Sixty-ninth Congress, first Session . . . 1926, pp. 204-205.

[54] *Ibid.,* p. 1453. Italics are the author's.

> *promotion will be based on personal performance only.* In order that every man may fully realize that he owes his appointment in the reorganization *solely to his merit* the following procedure is ordered:
>
> The present appointment of all unclassified employees will be terminated not later than October 15, 1925, and unless reappointed will end their connection with the service. In the case of prohibition agents and inspectors who may not have been selected for retention any leave which may be due them on October 15, 1925, must have been taken before that date.
>
> In the meantime, selections will be made and the men appointed to their new offices in the organization. *These appointments will be made for merit only,* and on a distinct understanding that *the appointee will hold office so long, and only so long, as his services are satisfactory.*

The published reports do not show how many of the incumbents were finally separated, except that "in some districts as many as 30 per cent were dropped."[55]

Notwithstanding the reiteration in General Andrews' letter regarding appointments on merit it is evident that political pressure could not be ignored, for later Major Chester P. Mills, who had been prohibition administrator of New York, gave an account of his experience in personnel administration, a part of his statement being as follows:

> Within a year after General Lincoln C. Andrews engaged me as federal prohibition administrator on the solemn agreement that there would be no political interference, he warned me by telephone from Washington that I was hopelessly in bad with the politicians and that something must be done about it.
>
> Gradually orders to exclude politics were modified. I was told to advise with the party leaders regarding appointments to the force of 240 men working under me. I did so to avoid the constant wrangling with headquarters over jobs, to save physical and mental wear and tear as well as precious time necessary for the supervision of the largest and most complicated prohibition district in the country. . . .

[55] House Hearings on Treasury Department appropriation bill, 1927. Sixty-ninth Congress, first Session, p. 314.

> In scores of cases involving useless and venal agents, suspected alcohol permittees and outlaw breweries, I felt the working of the political machine, whose wheels do not grind slowly, although they grind exceedingly fine. Through weeks and months contests with the politicians multiplied. Bickering increased until finally action taken against the worst agents I have ever encountered provoked the politicians into open enmity.
>
> . . . General Andrews ordered me to consult . . . the national committeeman of the Republican party from New York State.
>
> . . . He [the national committeeman] pointed out that the patronage system prevailed in every prohibition district throughout the country and that my territory would not be an exception. . . .
>
> His warning was exemplified by the voluminous correspondence from the county bosses. . . . If the candidate wasn't hired, a long series of letters and telephone conversations resulted. If he was fired, two and three times that volume of forensic literature developed.
>
> * * * *
>
> Prohibition, as at present operative, is a party-spoils system. Three-quarters of the twenty-five hundred dry agents are ward-heelers and sycophants named by the politicians. And the politicians, whether professionally wet or professionally dry, want prohibition because they regard prohibition as they regard postmasterships—a reservoir of jobs for henchmen and of favors for friends.[56]

The most convincing evidence of the character of appointees is afforded by the records of the Prohibition Unit. From the beginning of prohibition in January, 1920, to February 1, 1926, the separations of enforcement officers, agents, and inspectors for delinquency or misconduct numbered 752, classified by causes as follows:[57]

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[56] Mills, Chester P. Dry rot, *Collier's*, Vol. 80, September 17, 1927, Pp. 5, 6, 46, 48.

[57] The National Prohibition Law, hearings before the subcommittee on the Judiciary, United States Senate, Sixty-ninth Congress, first session, . . . 1926, p. 92.

Separations for Delinquency, January, 1920, to February, 1926

False statement on application	20
Extortion, bribery, or soliciting money	121
Falsification of expense accounts	80
Collusion and conspiracy[a]	61
Illegal disposition of liquor and other property	41
Embezzlement	1
Dereliction of duty[b]	43
Robbery of warehouse	2
Intoxication and misconduct[c]	187
Violation of national prohibition act	7
Disclosing confidential information	8
Unsatisfactory service and insubordination	119
Acceptance of gratuities	7
Submission of false reports	22
Theft	6
Contempt of court	6
Assault	8
Perjury or subornation of perjury	3
Political activity	3
Misuse of firearms	3
Failure of to file income tax return	1
Former criminal record	2
False pretenses (issued worthless checks)	1
Total	752

[a] This covers such cases as conspiracy to violate the national prohibition act, to extort bribes from violators, to defraud the United States Government, etc.

[b] This classification includes failure to report violations of the national prohibition act; leaving guard duty without permission, etc.

[c] Misconduct covers such matters as immorality, assault, arrest for speeding, gambling, fighting, creating disturbance, etc.

The table above includes only those whose resignations were accepted with prejudice. Assistant Secretary of the Treasury Andrews made the following comment on the figures:[58]

> It may be and is likely the fact that some resignations were requested by our supervising field officers and forwarded to Washington for acceptance without prejudice, in which event the Washington office would have no knowledge that the resignation was in fact requested. It would be impossible to furnish an absolutely accurate compilation of the number of resignations that may have been requested orally by field officers because of the great number of changes in the personnel of the prohibition service and the fact that many prohibition field officers who may have requested resignations are no longer in the service.

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[58] *Ibid.*, p. 50.

During the same period 141 employees were convicted, twenty-three convictions being for violation of the National Prohibition Act and 118 for other offenses.[59] In the spring of 1926 the number of agents, inspectors, and investigators was approximately twenty-seven hundred, but the number of persons actually employed since the beginning of prohibition was materially greater.

A too free use of firearms has been one of the criticisms directed against prohibition agents, and alleged cases of unjustifiable use of weapons have been reported. The casualties among agents may indicate that they were dealing with criminals, although it is possible that some casualties resulted from unlawful acts. The figures below are as reported by the Bureau of Internal Revenue, but no conclusions can be drawn from them without a careful study of the facts in each case.

Casualties Resulting from Prohibition Enforcement,[60] *1920 to April, 1926*

Number of agents of Prohibition Unit killed	45
Number of prohibition agents injured	297
Number of persons killed by agents of Prohibition Unit	89
Number of persons injured by agents of Prohibition Unit (so far as records show)	72
Number of Coast Guard men killed in connection with prohibition enforcement	2
Number of smugglers injured in connection with Coast Guard activities	20
Total casualties	530

By 1924 it had become evident that personnel conditions could be remedied and political influence obliterated only

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[59] *Ibid.*, p. 89. A detailed list giving names and offenses for seventy-nine cases concluded up to February, 1924, submitted by Representative Tinkham, is given in the hearings before the Committee on the Civil Service, House of Representatives, Sixty-eighth Congress, first session, on H. R. 6147, Extension of civil service regulations to prohibition agents, 1924, p. 23 *et. seq.*

[60] The National Prohibition Law; hearings before the subcommittee of the Committee on the Judiciary, United States Senate, Sixty-ninth Congress, first session . . . 1926, Vol. 2, p. 1450.

Statements regarding the circumstances connected with the killing of each prohibition agent and each person killed by a prohibition agent between 1920 and January 12, 1929, are given on pages 2970 to 2987 of the Congressional Record, Daily Edition, for June 14, 1929. This material is apparently from a mimeographed statement issued by the Bureau of Prohibition.

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through the use of examinations in the selection of agents. A bill creating a Bureau of Prohibition which passed the House in 1924 also provided for the appointment of field agents only after civil service examinations. This bill failed to come to a vote in the Senate. As regards the Bureau of Prohibition this bill was reintroduced in essentially the same form in the Sixty-ninth Congress, and became law on March 3, 1927 (44 Stat. L., 1381), effective April 1, 1927.

Just as the provisions of the National Prohibition Act providing for the appointment of prohibition agents without civil service examination had been contrary to the general practice of extending the classified civil service to new organization, so the act of March 3, 1927, differed from other extensions of the classified civil service to existing organizations.

From the beginning of the classified civil service it had been customary to cover into the classified service all employees already in office, and to require examinations only of persons entering the service after the positions had been classified. The officers of the Prohibition Unit who had been appointed without examination were evidently believed to be so inferior to employees in services which had been classified previously that it was deemed advisable to require the examination of all persons who had not entered through certification by the Civil Service Commission.

The act of March 3, 1927, legislated out of office, effective October 1, 1927, all employees appointed without regard to the civil service laws, the provisions of the act being as follows:

> (b) The Commissioner of Prohibition with the approval of the Secretary of the Treasury, is authorized to appoint in the Bureau of Prohibition such employees in the field service as he may deem necessary, but all appointments of such employees shall be made subject to the provisions of the civil service laws, notwithstanding the provisions of section 38 of the National Prohibition Act, as amended. The term of office of any person who is transferred, under this section, to the Bureau of Prohibi-

tion, and who was not appointed subject to the provisions of the civil service laws, shall expire upon the expiration of six months from the effective date of this act.

For the second time within two years the entire field force faced separation from the service. In July, 1925, Assistant Secretary Andrews had announced that the entire force would be considered separated on October 15, 1925, unless formally reappointed. Now the new appointees of the Andrews régime as well as those reappointed by that administration faced separation unless they could pass the civil service examination. As a matter of fact, many had a much longer tenure owing to the inability of the Civil Service Commission to furnish a register of eligibles. If eligible persons could not be supplied by the Civil Service Commission the incumbents were continued in office as temporary employees.

The work of rating competitors for the position of field agent of the Prohibition Bureau presented several important problems to the Civil Service Commission. The number of positions to be filled at one time—about twenty-five hundred—involved an unusual amount of work. The positions were of a type for which examinations had never been given, and it was necessary to formulate plans and questions. In addition to the written test it was deemed desirable to have oral tests to judge the personal qualities of the candidates as well as a sweeping investigation of the character of the applicants.

The act creating the Bureau of Prohibition was not approved until the day preceding the date of the statutory ending of the Sixty-ninth Congress. As the work of rating the candidates required additional personnel for the Civil Service Commission, an appropriation was necessary. Under the procedure of Congress an appropriation could not be made in anticipation of the passage of the law, and the last deficiency appropriation bill had been reported to the Senate without any provision for the necessary fund. However, an estimate was immediately submitted, and it was the intention of the Senate Committee on Appropriations to offer a committee amendment on the floor. About this time a filibuster developed over another matter, and the deficiency bill failed of passage.

Notwithstanding the lack of funds the Commission proceeded with the work as far as possible.[61] The examinations for the higher administrative positions were of the non-assembled type, that is the applicants were not required to take a written examination, but submitted data on their training and experience, the representations being verified by the Commission. The field agents were required to take a written examination. Before the end of the fiscal year all the written examinations had been held, and the papers graded.

Contrary to some statements that have been in circulation, there were no questions in spelling or arithmetic, and spelling and grammar were not considered in rating the papers.[62]

Additional funds were granted to the Civil Service Commission in the deficiency act approved December 14, 1927 (45 Stat. L., 5). The oral examinations and character investigations represented a new procedure in the work of the Commission, and it was necessary to train the examiners before the work could proceed.[63]

The first written examination was taken by 12,436 persons, of whom 4504 passed with a rating of sixty exclusive of military preference credit; of those passing the written examination 2526 had been declared eligible by September 30, 1928.[64] Owing to geographic distribution, and to the fact that many applicants had in the meantime taken other positions, there were not sufficient eligibles from the first examination to fill all positions.

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[61] "After conferences with Treasury Department officials and the Bureau of the Budget, that Bureau, on approval by the President, authorized the Civil Service Commission to overobligate its appropriations for the first two quarters of the current fiscal year to the extent of $30,000 with a view to completing the examinations for administrative positions, and, further, to completing the rating of the written examinations for the agent, investigator, inspector, and other subordinate positions." House Hearings on First Deficiency bill, 1928, Seventieth Congress, First session, p. 55.

[62] The questions are printed in the House Hearings on the Treasury Department appropriation bill, 1929, pp. 334-42.

[63] For account of this work, see Annual Report of the Civil Service Commission, 1928, p. 29 *et. seq.*

[64] On the entire examination a final general rating of 70, including milititary preference credit, was necessary in order to be eligible for appointment.

Many of the incumbents fell by the wayside. The tabulated records of the Civil Service Commission do not indicate how many of the incumbents failed to pass the written examination, or were found unfit after examination. In January, 1928, the Commissioner of Prohibition stated that almost three-fourths of the employees had failed to pass the examination.[65] Some of these were later qualified as a result of appeals and regrading, but in November, 1928, only two-thirds of the positions had been filled permanently after certification by the Civil Service Commission.[66]

The failure of many of the incumbents in the written examination has been explained as due to the fact that they did not take the examination seriously, and considered it a mere matter of form.

The failure of so many of the incumbents led to the introduction, in January, 1928, of S. 1995, which proposed to amend the act creating the Bureau of Prohibition by providing that any person who had held office for one year prior to April 1, 1927, " and who in the opinion of the Commissioner of Prohibition, has performed his duties in an efficient manner " should be covered into the classified civil service without examination.

The Senate Committee on Civil Service held hearings on this bill in February and March, 1928, at which the Bureau of Prohibition favored and the Civil Service Commission opposed the bill. The Senator who introduced the bill pushed it vigorously; speaking from personal knowledge, he told that one of his constituents, a former sheriff—" as faithful and square a man and as efficient as I ever knew—failed in this examination, and I would select him above almost any man in the state for this job, and I know him quite well."[67] This bill was favorably reported to the Senate on April 9, but was not voted on.

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[65] House Hearings on Treasury Department appropriation bill, 1929, Seventieth Congress, first session, p. 333.

[66] House Hearings on Treasury Department appropriation bill, 1930, Seventieth Congress, second session, p. 407.

As the first examination had failed to supply sufficient eligibles, a second one was announced, for which applications were received up to November 20, 1928. In this examination, held early in 1929, the requirements and grading were somewhat different from the first one. As a prerequisite to taking the examination applicants must have had the following experience:

> Applicants must show affirmatively that they have had within the last five years at least one year of active and full-time paid experience in occupations the duties of which were actually to perform the more physically arduous and dangerous tasks (under civil, military, or naval establishments, including the Coast Guard) involved in the enforcement of civil, military, naval, penal, and regulatory laws, such as U. S. marshal, deputy U. S. marshal, sheriff, deputy sheriff, constable, city marshal, city detective, policeman, military or naval intelligence operative, coast guardsman, etc.; or (2) within the last five years at least one year's experience in a State, Territorial, or police organization comparable in rank to such force as the Texas Rangers, Pennsylvania State Constabulary, New York State Constabulary, Royal Northwest Mounted Police, or border patrolman in the Customs or Immigration Service; or (3) graduation in a course of law from a law school of recognized standing or membership of recognized standing before a bar of a State, Territory, or the District of Columbia.
>
> Applications from persons claiming qualifying experience gained in the Army, Navy, Marine Corps, or Coast Guard will be considered without reference to the five-year time limitation, but such applicants must name the organization or units to which attached and describe in detail the duties performed. Military or naval experience in clerical, trades, or other occupational assignments will not be accepted as qualifying.

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[67] Covering certain persons into the classified civil service without examination, Hearings before the Committee on Civil Service, United States Senate, Seventieth Congress, first session, on S. 1995, p. 5.

> The weighting of the several subjects and the ratings will be as follows:
>
> | Subjects | Weights |
> |---|---|
> | 1. Mental tests | 30 |
> | 2. Practical reports based on duties of position (to be written in examination room) | 30 |
> | 3. Training, experience, and fitness | 40 |
> | Total | 100 |
>
> In subjects 1 and 2 combined, non-preference competitors must attain a combined average rating of at least sixty-five, competitors entitled to military preference a combined average rating of at least sixty, exclusive of military preference credit, and competitors entitled to disability preference a combined average rating of at least fifty-five, exclusive of military preference credit; otherwise they will not be further considered for this position.

In January, 1928, the Commissioner of Prohibition expressed considerable dissatisfaction with the character of the first examination and its effect on the service.[68] In March, 1928, when hearings were held on S. 1995 to cover certain employees into the service, the Commissioner favored that measure, although expressing his firm belief in the merit system of appointment.[69] In his annual report for 1928, issued in December, he made the following statement:[70]

> The act of March 3, 1927, creating the Bureau of Prohibition, made all positions in the bureau, except that of commissioner, subject to the civil service laws, and the term of office of any person transferred from the Internal Revenue Bureau to the Bureau of Prohibition and not theretofore under civil service, was made to expire six months after the effective date of the act. During the year, the Civil Service Commission, in coöperation with the Treasury Department, has carried forward the provision of the law relating to the civil service in the Bureau of Prohibition. The effect of this statute is already being felt in the

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[68] House Hearings on Treasury Department appropriation bill, 1929. Seventieth Congress, 1st session, p. 332 *et seq.*

[69] Covering certain persons into the classified civil service without examination, hearings before the Committee on Civil Service, United States Senate, Seventieth Congress, first session, on S. 1995, p. 27 *et seq.*

[70] Commissioner of Prohibition, Annual Report, 1928, p. 6.

service of this bureau, and a marked improvement has been brought about in the personnel. The service is now on a much more stable and efficient basis. There does not appear to be any doubt that the placing of the prohibition employees in the civil service has been a very effective step in the enforcement of the law.

On December 21, 1928, the President issued the following executive order (No. 5018) regarding temporary reinstatement of certain employees having military preference:

> Until the ratings have been completed of the civil service examination closing November 20, 1928, for the positions of prohibition agent, the Secretary of the Treasury is hereby authorized, in his discretion, to continue under temporary appointment those prohibition agents, inspectors, and investigators entitled to military preference (1) whose applications for such examination have been accepted by the Civil Service Commission; and (2) who have been employed with clear records for at least two years in the Prohibition Service.
>
> For the purposes of this order, reinstatement may be made, in the discretion of the Secretary of the Treasury, of any preference employee herein described who was dropped from the Prohibition Service, without charges, subsequent to August 16, 1928.

It will be noted that to obtain the advantage of this order there are three requisites: (1) Military preference, (2) acceptance of application for the civil service examination, and (3) employment in the Prohibition Service for two years with a clear record. Persons meeting these requirements may be temporarily appointed to hold office until the ratings of the second examination have been completed. It is reported that about two hundred persons are affected by the order.

A compilation made from a report by the Acting Secretary of the Treasury to the Senate of March 3, 1929,[71] in compliance with a Senate resolution shows that, on March 2, there were 604 agents, inspectors, investigators, and chemists employed in the districts who were holding temporary appointments without examination, compared with 1282 having civil service status. The detailed distribution by districts is shown in the table below, the permanent employees being those who have been appointed after examination, and the temporary employees being those who had not been certified.

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[71] 70 Cong. 2 sess., S. doc.

Civil Service Status of Prohibition District Employees, March 2, 1929

Districts	Administrative and legal	Agents, inspectors, investigators and chemists	Storekeeper-gaugers and warehouse watchmen	Clerical force
District 1				
Permanent	9	94	10	75
Temporary	1	49	2	1
District 2				
Permanent	12	195	15	168
Temporary	5	24	12	11
District 3				
Permanent	8	11	5	38
Temporary	..	38	..	..
District 4				
Permanent	4	56	6	45
Temporary	..	10	6	..
District 5				
Permanent	7	89	11	89
Temporary	1	22	10	1
District 6				
Permanent	9	45	15	69
Temporary	3	53	1	..
District 7				
Permanent	8	38	25	56
Temporary	1	20	9	..
District 8				
Permanent	8	49	..	19
Temporary	..	36	..	..
District 9				
Permanent	7	35	..	19
Temporary	..	26	..	..
District 10				
Permanent	11	36	29	48
Temporary	..	28	..	..
District 11				
Permanent	6	42	61	38
Temporary	2	16	..	..
District 12				
Permanent	6	47	14	54
Temporary	..	21	..	..

Civil Service Status of Prohibition District Employees, March 2, 1929—Continued

Districts	Administrative and legal	Agents, inspectors, investigators and chemists	Storekeeper-gaugers and warehouse watchmen	Clerical force
District 13				
Permanent	14	140	41	116
Temporary	1	13	3	..
District 14				
Permanent	7	63	..	34
Temporary	1	14	..	..
District 15				
Permanent	2	29	..	18
Temporary	4	9	..	..
District 16				
Permanent	6	46	5	45
Temporary	1	27	1	..
District 17				
Permanent	8	42	..	31
Temporary	1	8	..	..
District 18				
Permanent	4	16	..	11
Temporary	1	24	..	..
District 19				
Permanent	2	34	..	11
Temporary	5	17	..	..
District 20				
Permanent	4	35	..	26
Temporary	2	16	..	..
District 21				
Permanent	5	49	24	40
Temporary	1	13	1	1
District 22				
Permanent	6	52	13	41
Temporary	..	10	1	..
District 23				
Permanent	1	2	..	4
Temporary	2	7	..	..
District 24				
Permanent	2	..	..	3
Temporary	1	10	..	..
District 25				
Permanent	4	32	2	36
Temporary	1	34	..	..
District 26				
Permanent	5	5	1	36
Temporary	1	59	1	..
All Districts				
Permanent	165	1,282	277	1,170
Temporary	35	604	47	14

CHAPTER II

ACTIVITIES

The activities of the Bureau of Prohibition fall into three main groups: (1) Enforcement of the National Prohibition Act; (2) assessment of federal taxes on authorized dealers in intoxicating liquors; and (3) the enforcement of the federal narcotic law.

Enforcement of National Prohibition Act. The enforcement of the National Prohibition Act includes the following subordinate activities:

Suppression of illegal traffic in alcoholic liquor
Licensing and control of legal manufacture of alcoholic liquor
Licensing of legal traffic in alcoholic liquor
Licensing and control of industrial alcohol

These four overlap to some extent in that the control of the legal manufacture and traffic in beverage liquor and industrial alcohol frequently uncovers illegal diversions, and prosecution results. On the other hand the suppressive work frequently discloses illegal diversion by permittees, and there is administrative action looking to the revocation of the license.

The powers and duties of the Bureau in regard to the prohibition laws were originally conferred on the Commissioner of Internal Revenue. They were transferred to the Secretary of the Treasury by the act of March 3, 1927 (44 Stat. L., 1382), and the Secretary was authorized to delegate such powers to the Commissioner of Prohibition or to other officers of the Bureau of Prohibition. This power was delegated by the Secretary's order of April 1, 1927, when the Bureau of Prohibition came into existence.

Suppression of Illegal Traffic in Alcoholic Liquor. The Eighteenth Amendment to the Constitution provides in part as follows:

> Section 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

The National Prohibition Act (41 Stat. L., 308) provides in part as follows:

> Section 3. No person shall on or after the date when the eighteenth amendment to the Constitution of the United States goes into effect, manufacture, sell, barter, transport, import, export, deliver, furnish or possess any intoxicating liquor except as authorized in this Act, and all the provisions of this Act shall be liberally construed to the end that the use of intoxicating liquor as a beverage may be prevented.

The second paragraph of Section 3 provides for manufacture and traffic in alcoholic liquor for non-beverage purposes, and Section 4 (41 Stat. L., 309) makes special provision for certain preparations containing alcohol; these uses will be discussed in connection with the permissive features of the work.

Section 29 (41 Stat. L., 316) provides that the penalties provided in the act " against the manufacture of liquor without a permit shall not apply to a person manufacturing non-intoxicating cider and fruit juices exclusively for use in his home, but such cider and fruit juices shall not be sold or delivered except to persons having permits to manufacture vinegar."[1]

If the entire service is considered as a unit the suppression of the illegal traffic accounts for about 75 per cent of the work in connection with the enforcement of the National Prohibition Act, although the proportion will vary widely in different sections of the country.[2]

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[1] The Circuit Court of Appeals for the Fourth Circuit held that, regardless of alcoholic content, " in all such cases [under section 29] it is necessary to prove that such vinegar and fruit juices are in fact intoxicating before a conviction can be had," Isner v. United States (1925), 8 Fed. Rep. (2d), 487. See also United States v. Hill, 1 Fed. Rep. (2d), 954.

The suppressive work is essentially a police activity. In the main it is confined to eliminating the sources of supply, and as a rule it is not concerned with the individual seller, except in so far as the arrest of the seller may help to uncover the source. The Bureau of Prohibition is not directly concerned with the suppression of smuggling, this work being the duty of the Coast Guard on the ocean borders and the Great Lakes and of the Bureau of Customs along the land and river borders. The Bureau of Customs also has supervision over ships being unloaded in the ports. However, there is close coöperation among the three services, and information received by one is frequently the basis of action by one or both of the others. The work also varies in character in accordance with local conditions. The Prohibition Amendment provides that Congress and the several states shall have concurrent power to enforce it by appropriate legislation.[3] Many states already had laws in force prohibiting the sale of liquor, and these were not abrogated or superseded by the Eighteenth Amendment or subsequent federal legislation.[4] Many other states have passed laws providing for the enforcement of prohibition, and on July 1, 1929, there were such laws in all states except New York, Maryland, Nevada, Wisconsin, and Montana. In some of these states there are local option laws under which state officers may act.

In the District of Columbia, which is a municipal corporation entirely under the control of the United States, only thirty-eight out of about thirteen hundred police officers have authority to make arrests under the National Prohibition Act. These are specially commissioned as prohibition enforcement officers. No prosecution in state courts may be made for violation of the former state license laws as the "first section of the [Eighteenth] Amendment . . . of its own force invalidates every legislative act—whether by Congress, by a state legislature or by a territorial assembly—which authorizes or sanctions what the section prohibits."[5]

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[2] The National Prohibition Law; hearings before the subcommittee of the Committee on the Judiciary, United States Senate, Sixty-ninth Congress, first session . . . , 1926, p. 51.

[3] Prosecution for the same overt act may be in both the state and federal courts, and the offender is not thereby placed in double jeopardy. There are two offenses—one against the United States and one against the state. United States v. Lanza., 260 U. S. 382; Hebert v. Louisiana, 272 U. S. 312.

[4] Vigliotti v. Pennsylvania, 258 U. S. 403.

But it should be noted that under the National Prohibition Act liquor illegally manufactured is subject to all taxes in force on legal liquor (41 Stat. L., 317), the Supreme Court having ruled as follows:

> That Congress may under the broad authority of the taxing power tax intoxicating liquors notwithstanding their production is prohibited and punished, we have no question. The fact that the statute in this aspect had a moral end in view as well as the raising of revenue, presents no valid constitutional objection to its enactment. . . ."[6]

The penalties imposed are those prescribed by the National Prohibition Act and not those of the old internal revenue laws.[7]

The significance of local participation in the enforcement work extends far beyond the mere matter of discovering violations and making arrests. It is of greatest moment in connection with the court work. If the charge is made by officers of the Bureau of Prohibition, the prosecution is in the United States Courts, which in the congested centers have overcrowded dockets and insufficient judges to carry on the work. If the arrest is made by local officers, the prosecution is generally in the state courts, although at times such cases are tried in the United States Courts; this is true in New York State where the state troopers in the northern section make some arrests.

As the National Prohibition Act is a federal law it "must be enforced primarily if not exclusively in federal courts," but on "this point there is some conflict."[8] In New York, Connecticut, Missouri, and California, it has been held that proceedings for violation of the federal law may be in state courts.[9] If the prosecution is for violation of the concurrent state law it must necessarily be in the state courts.

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[5] National Prohibition Cases, 253 U. S. 386.
[6] United States v. Yuginovich, 256 U. S. 462.
[7] *Ibid.*, p. 464.

Another feature to be considered is the fact that the United States courts hold sessions in only a few places in each state;[10] thus there results the added expense for transporting witnesses and interference with the work of the enforcement officers through their presence in court at a distance from their field of operation.

When the case is tried in the state court the expense is borne by the state, but if the trial is in the federal court the costs are borne by the United States. On the other hand the fines recovered accrue to the local jurisdiction in one case and to the United States in the other.

The determining factor regarding local participation is generally public sentiment and political conditions. The situation in some large centers in November, 1928, was summed up by the Commissioner of Prohibition as follows:[11]

> We have no coöperation in the State of Maryland other than the sheriffs of some of the counties where they have local option laws. We thought we had secured a great deal of coöperation

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[8] McBain, Howard L., Prohibition, legal and illegal; p. 68.

[9] United States v. Sumner, 216 App. Div. N. Y. 782 (1916); United States v. Stevens, 103 Conn. 7 (1925); Ex-parte Gounis, 304 Mo. 445 (1924); Carse v. Marsh, 189 Cal. 743 (1922). These were all civil cases. In another case in the City Magistrates Court of the Borough of Manhattan, it was held that as the violation of the National Prohibition Act tends to a breach of the peace, the defendant was guilty of disorderly conduct for violation of Section 722 of the Penal Laws of the State of New York.—People v. Wade, 214 N. Y. S. 192 (1926).

[10] Thus, in New York State terms of one month each are held annually as follows: In ten cities, one term; in one city, two terms; in two cities, twelve terms. In addition one term of one month may be held annually in each of nine counties. For this work there are thirteen regular judges for cases of all kinds, including a large number of bankruptcy and admiralty suits; at times judges from outside the state are detailed to assist in clearing the dockets.

[11] House Hearings on Treasury Department appropriation bill, 1930. Seventieth Congress, second session, p. 414 *et seq.*

in the Baltimore Police Department when they agreed to protect our men from riot when they were making raids and to preserve public order. That was helpful. Before that we were thrown to the wolves over there.

We have coöperation in the State of New York so far as the troopers are concerned up-state, who make cases and turn them into the already overcrowded Federal courts, and we have a great many minor cases turned in by the police of the City of New York, of the class that have to be taken up on bargain days in United States courts, and disposed of on pleas of guilty, with fines $10 or $15.

* * * *

We have had a condition confronting us in Philadelphia, where there was not only a lack of active coöperation, but a very bad situation in the police department. That is being developed now, and that, of course, made it very difficult to ever really clean the town up; when you have a collusive condition between various police captains in charge of precincts and the violators in those precincts.

* * * *

Chicago is brightening up a little bit so far as our end is concerned, although there is a great deal that can be done in Chicago. Up to last spring [1928] we had practically no cooperation from the police department of the city of Chicago.

* * * *

The situation in Detroit is not very good, although we are getting more help from the present administration than we had from the previous one.

The situation in St. Louis is one where there is not much activity on the part of the city and county authorities to close up speak-easies, and hence we are working on the distilling and alley brewing end, and are unable to give very much time to the speak-easy condition; that is, the retail sales end. Where we are hurt by the failure of local authorities to close up on the retail end is that when the retail end is wide open it acts as a huge suction on the source of supply, and it has a very material relation to the whole traffic. If the outlets are wide open and undisturbed, the incentive for manufacturing and distribution is very much heightened.

* * * *

The problem in Florida is smuggling and a kind of Everglade distilling problem. The smuggling is seasonal; it is a winter proposition. The Coast Guard, however, has done a very fine job in cutting down the liquor that has been coming from the Bahama Islands.

San Francisco is about the same as other large cities. We have fair coöperation from the police department. However, it is a serious problem.

Complete charge of enforcement by the United States and relief of the local officials of all responsibility the Commissioner of Prohibition estimates "will take $300,000,000 [a year] and a system of United States courts covering the land."[12]

The general conditions in November, 1928, as regards enforcement were described by the Commissioner of Prohibition as follows:[13]

The general situation with respect to enforcement is substantially what it was last year, but we believe that it has been improved in a number of details. We have conducted a school of instruction for agents and field officers, giving them more particular and definite instructions with respect to their duties and legal limitations under which they work, with a view to bringing about a more intelligent enforcement along strictly lawful lines. We feel that we have eliminated to some extent some of the abuses in the law enforcement by reason of the lawless acts of officials. We are still giving a great deal of attention to that instruction work. We will have to do a great deal of it over again, as during the past year there has been a large change in personnel due to the operation of the civil-service laws that apply to the bureau.

The smuggling situation still presents a serious problem. Notwithstanding the fact that the Coast Guard has operated to break up near-by rum rows, there is still a large movement from European ports, from the French island of St. Pierre, and from Central American and Mexican ports into the United States. The Coast Guard has at its disposal a great deal of detailed information collected through State Department channels, by a special service that we call the division of foreign control, within the Bureau of Prohibition, officered by a consular

[12] *Ibid.*, p. 424.

[13] *Ibid.*, p. 385 *et seq.*

officer of the State Department who acts as a contact man between the State and Treasury Departments.

There has been much additional work done in identifying ships engaged in the international rum trade, and the treaty conventions with other Governments have been followed up closely to secure compliance with the shipping laws, such as those relating to false manifests, false clearances, destinations, etc., all with a view to its bearing upon curtailing this international rum movement. The largest quantity of liquor, however, that moves into the United States from another country enters over the northern land border, and probably seven-eighths of it enters through what we call the Detroit gateway. The Detroit gateway consists of the Detroit River, St. Claire River Lake St. Claire, and the near-by parts of Lake Erie and Lake Huron. This large movement is being combatted by the border patrol of the Customs Service, but it is a difficult matter to handle the large quantity of liquor which, starting from Canada, goes into the United States, and is distributed in fan-like fashion from Detroit as the focal point. This brings our Bureau of Prohibition directly into the picture with regard to the transportation and commercial movement of liquor out of Detroit into the interior of the country. The treaty with Canada is not at all satisfactory as it stands, and our State Department has before the Government of Canada a request for a conference to make a revision of the treaty.

The Canadian Government at present clears cargoes of liquor through their commissioner of customs and excises destined for the United States, merely giving us notice of such clearances. The clearances are in many cases fraudulent with respect to the identification of the ship and master, and they are only valuable to us in so far as they furnish statistical information on the amount of liquor actually moving out of Canada.

* * * *

Of course, the notice of clearance from the commissioner of customs and excises at Windsor is futile, with regard to preventing that particular cargo from coming over. The man clears at the Canadian dock, and if the way is not clear he drops down the Detroit River, on the Canadian side, and may hang around there for three or four hours before coming over.

* * * *

The total moving into interior districts is very much reduced. It is simply a serious problem for the reason that by reason of the fact that it is known that a substantial amount of liquor comes over from Canada, it affords a good sales background for fake liquor labels and for fraudulent strip stamps, indicating bottled in bond whisky, both in Canada and in the United States. It has a serious effect on us in that way.

The domestic situation sums up at the present time somewhat along the following lines: Last year we inaugurated the policy of controlling industrial alcohol production at the source. Theretofore permits to manufacture industrial alcohol had not provided for the quantity that might be manufactured during the year, the bureau only controlling the quantitative use and distribution.

Starting last year we inaugurated this policy of relating the production to the reasonably ascertained legitimate use, plus a commercial margin for inventories to avoid pinches in the market. The result has been that we have avoided this year a large surplus production of alcohol, which had always created chaotic enforcement conditions, as it found its way into the market through illicit channels ultimately, and created a bad condition for the legitimate trade as well.

We have paid a great deal of attention to the permit system, as it affects users. A great many revocations have been brought about, and the new regulations have been applied in such manner as to reduce the leaks in the permissive system to a comparatively small figure. At the present time the problem of enforcement does not relate to the administration of the permissive system. The illicit liquor on the market in the United States does not show any substantial percentage of legal origin. To put it another way, the present supply of illicit liquor is to a very large extent smuggled, or manufactured from raw materials in the United States, namely, sugar and grain.

That indicates a progress in enforcement that we think is quite favorable, and it has relieved the industrial trade to some considerable extent of the odium of being responsible in their trades for a large diversion of industrial alcohol. We find that illicit distilling from corn sugar is the main source of supply at this time. That situation is being worked on, and, as evidence of progress, we have found that the size of the distilleries captured in the large centers has diminished. These distilleries which are not of the old-fashioned moonshine type are really small alcohol plants. As our administrators and agents have developed their lines of information more carefully, it has been possible to cut down these plants before they have done very much damage. It has really been a race to get them cut down before they can turn back a commercial profit to their promoters. We have been pressing on that element pretty hard, and, as a result, the size of the units captured is growing steadily less. That has been apparent all the year. As the illicit distilling has been broken down from large units to smaller units, we have felt more and more the need of the active aid of the local police officers. That has been forthcoming in some sections, but has not been forthcoming in other sections. I believe that if the Federal enforcement continues as it has in the past year, the need of greater local activity, as these illegal distilleries become smaller, will become more pronounced, and a strong movement will have to be started to again bring back to those localities the feeling that they must enforce their laws in so far as they relate to what are the obviously local violations, or community affairs.

The situation with repect to the breweries has developed along the same lines: namely, we are experiencing much less trouble with the cereal beverage plants, or the former old-time breweries. We have from time to time cases of cheating, as we call it, by running out high-powered beer for half an hour or an hour on some night when the coast is clear. We have found that situation in a certain class of those plants. However, the amount of this so-called high-powered beer of brewery origin on the market is growing less and less. The illicit beer on the market at the present time is supplied to a large extent by what we call alley breweries. That is an illicit brewery capable of making from one to ten barrels of beer per day, and they supply a group of saloons. The raw material that they use is either malt sirup or wort. Wort is beer before fermentation takes place. I do not consider that the situation with respect to illicit breweries is becoming worse. On the other hand, I think it is becoming better; but it is likewise developing an increased need for more local work. There is a certain limitation upon the duty to be performed by our officers, and our fight in the field and office is to keep the men as far as possible on distinctly Federal work of a major character.

It is a great problem to resist the insistent demands to send agents from one part of the country to another to clean up local situations. That is obviously the duty of the sheriff or the chief of police. However, we endeavor to comply with all those requests that we can, but we feel that every time we do comply with such a request the men are taken away from work that, in the last analysis, we believe would be more effective. We find, as I said before, that in some sections the coöperation between the local authorities and the prohibition officers is excellent. There is harmony and there is a will to enforce the law, and when the details are worked out, as to what character of work a United States officer will engage in and what the local officers will do, the result as a whole is good. On the other hand, in some localities, or in some large cities, we not only have a failure to coöperate in the true sense of the word but we have passive opposition to meet in some cases, and active and hearty opposition in some other cases. Wherever instances have come to our attention, indicating collusion between liquor law violators and local officials, we make it a subject of inquiry, and we have presented a number of such cases to the Department of Justice, where criminal proceedings have been had under the conspiracy statutes.

The results of enforcement activities during the fiscal year 1928, and the distribution by principal states are shown in the following table:[14]

Results of Enforcement Activities, Fiscal Year 1928

Seizures	Number
Distilleries[a]	
New York	1,293
Maryland	1,040
Virginia	1,372
North Carolina	1,841
Georgia	1,919
Tennessee	1,255
	8,720
Other states	7,500
Total	16,220
Stills	
New York	521
North Carolina	1,036
Georgia	1,484
Florida	581
Tennessee	639

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[14] Commissioner of Prohibition, Annual Report, 1928, p. 88 *et seq;* the report gives detailed figures for each state and administrative district and for court cases gives figures by judicial districts.

Results of Enforcement Activities, Fiscal Year 1928—Continued

Seizures—*Continued*	
Stills—*Continued*	Number
Kentucky	702
Illinois	935
Porto Rico	7,038
	12,936
Other states	6,044
Total	18,980
Still worms	
New York	420
Pennsylvania	501
Maryland	831
Georgia	934
Florida	850
Tennessee	580
Missouri	522
	4,638
Other states	4,495
Total	9,133
Fermenters	
Pennsylvania	26,686
Maryland	15,442
Virginia	13,534
North Carolina	12,694
Georgia	19,379
Florida	20,981
Tennessee	15,533
	124,249
Other states	93,029
Total	217,278
Spirits	Wine gallons
New York	195,877.50
New Jersey	32,269.37
Pennsylvania	132,423.50
Maryland	47,199.50
Georgia	33,351.00
Florida	36,596.34
Illinois	75,193.91
Michigan	33,775.19
Missouri	32,258.94
California	60,032.23
	678,977.48

Seizures—*Continued*	
Spirits—*Continued*	Wine gallons
Other states	369,659.36
Total	1,048,636.84
Malt liquor	
New York	1,371,097.12
New Jersey	408,130.00
Pennsylvania	1,013,220.50
Tennessee	377,426.12
Illinois	235,179.08
Michigan	393,089.38
Wisconsin	73,419.00
California	55,313.89
	3,926,875.09
Other states	327,154.49
Total	4,254,029.58
Wine	
New York	147,180.00
Pennsylvania	49,355.37
Louisiana	11,412.20
Illinois	13,706.84
Wisconsin	20,097.00
California	70,290.62
	312,042.03
Other states	87,560.99
Total	399,603.02
Cider	
New York	57,157.12
New Jersey	13,302.50
Pennsylvania	12,703.00
	83,162.62
Other states	21,364.94
Total	104,527.56
Mash	
New York	1,181,836.50
Pennsylvania	1,455,959.00
Maryland	3,011,506.00
Virginia	1,749,689.00
North Carolina	2,533,317.00

Results of Enforcement Activities, Fiscal Year 1928—Continued

Seizures—*Continued*	
Mash—*Continued*	Wine gallons
Georgia	2,456,067.00
Florida	1,097,287.25
Tennessee	1,758,380.00
Illinois	1,618,234.80
California	1,525,896.00
	18,388,172.55
Other states	8,206,360.54
Total	26,594,533.09
Pomace	
Illinois	59,068.00
Other states	13,835.39
Total	72,903.39
Automobiles	Number
New York	1,108
Pennsylvania	560
Maryland	208
District of Columbia	330
West Virginia	209
Georgia	236
Florida	227
Tennessee	240
Kentucky	248
Ohio	274
Michigan	352
Washington	216
California	323
	4,531
Other states	2,403
Total	6,934
Boats or launches	
Florida	12
Porto Rico	16
	28
Other states	53
Total	81

Value of seizures, etc.	
Automobiles seized	Dollars
New York	540,151.15
Pennsylvania	471,861.00
District of Columbia	126,655.00
West Virginia	143,200.00
Ohio	100,270.00
Michigan	143,907.00
California	139,360.00
	1,665,404.15
Other states	1,391,727.94
Total	3,057,132.09
Boats or launches seized	
Pennsylvania	25,000.00
Florida	24,475.00
Porto Rico	11,680.00
Michigan	21,100.00
California	45,000.00
	127,255.00
Other states	16,985.00
Total	144,240.00
Property seized and destroyed	
New York	1,766,454.57
New Jersey	1,518,181.88
Pennsylvania	1,661,459.68
Virginia	627,695.70
North Carolina	693,455.18
Georgia	581,523.90
Illinois	635,868.70
Michigan	1,595,939.13
California	696,587.65
	9,777,166.39
Other states	2,855,501.13
Total	12,632,667.52
Property seized and not destroyed	
New York	2,786,345.39

Results of Enforcement Activities, Fiscal Year 1928—Continued

Value of seizures—*Continued* Property seized and not destroyed—*Cont'd*	Dollars
New Jersey	794,492.45
Pennsylvania	2,080,350.50
Illinois	781,699.64
Michigan	872,790.49
	7,315,678.47
Other states	3,255,999.21
Total	10,571,677.68

Persons arrested By federal officers	Number
New York	17,336
Pennsylvania	3,838
Maryland	2,647
Kentucky	3,635
Ohio	2,610
Illinois	2,780
Missouri	2,703
Texas	3,504
	39,053
Other states	36,254
Total	75,307

By state officers assisted by federal officers	Number
Pennsylvania	874
District of Columbia	755
Virginia	973
Kentucky	1,275
Indiana	519
Iowa	1,235
California	1,078
	6,709
Other states	6,123
Total	12,832

Persons arrested—*Continued* By state officers on information furnished by federal officers	Number
Iowa	170
South Dakota	239
Washington	319
	728
Other states	606
Total	1,334

Convictions in federal courts[b] Verdicts of guilty	Individuals
Pennsylvania	242
North Carolina	582
Georgia	280
Tennessee	241
Kentucky	738
Washington	218
Texas	270
	2,571
Other states	1,779
Total	4,350

Pleas of guilty[c]	Individuals
New York	12,682
Pennsylvania	1,722
Maryland	1,513
District of Columbia	1,573
Georgia	1,775
Kentucky	3,289
Ohio	1,973
Illinois	1,529
Oklahoma	2,268
Texas	3,004
	31,328
Other states	22,997
Total	54,325

Results of Enforcement Activities, Fiscal Year 1928—Continued

Convictions in federal courts—*Continued*	Individuals
Nolo contendere	
Massachusetts	11
Pennsylvania	26
Tennessee	13
Missouri	14
Oklahoma	19
	83
Other states	55
Total	138

Receiving jail sentences [d]	Per cent
Indiana	69.8
Northern Ohio	63.6
Eastern Illinois	79.0
Eastern Wisconsin	72.8
Western Wisconsin	68.6
Minnesota	62.2
Western Missouri	61.2
Idaho	67.7
Eastern Washington	61.6
First Alaska	70.5
All states	28.5

Terminations	
Dismissals	Individuals
New York	1,880
Illinois	585
Texas	752
Washington	561
	3,778
Other states	3,865
Total	7,643
Nolle prossed	
New York	1,207
District of Columbia	1,280
Pennsylvania	562
West Virginia	633
Georgia	662
Kentucky	767
	5,111

Terminations—*Continued* Nolle prossed—*Continued*	Individuals
Other states	3,510
Total	8,621
Acquittals	
Pennsylvania	169
North Carolina	242
Georgia	127
Florida	125
Alabama	119
Tennessee	212
Kentucky	477
Texas	145
Washington	161
Porto Rico	105
	1,882
Other states	840
Total	2,722

Sentences imposed [e]	
Total fines	Dollars
New York	881,941.15
Pennsylvania	266,672.00
Louisiana	220,783.75
Kentucky	412,659.00
Ohio	337,721.09
Illinois	421,761.66
Michigan	690,952.20
Minnesota	204,336.00
Missouri	238,709.94
Texas	304,945.05
Washington	464,004.52
California	218,886.00
	4,663,372.36
Other states	2,367,737.30
Total	7,031,109.66
Average fine [d]	
Southern Illinois	309.82
Eastern Michigan	481.16
Southern Iowa	316.28
Western Washington	395.39

Results of Enforcement Activities, Fiscal Year 1928—Continued

Sentences imposed—*Continued*

Average fine—*Continued*	Dollars
Northern California	304.17
First Alaska	403.67
Fourth Alaska	547.79
All states	102.94

Imprisonment	Years
West Virginia	262
North Carolina	303
Georgia	307
Tennessee	233
Kentucky	501
Ohio	368
Minnesota	213
Michigan	276
Oklahoma	382
Texas	434
Washington	227
	3,506
Other states	2,125
Total	5,631

Average imprisonment[d]	Days[e]
Western Michigan	114.0
Eastern Wisconsin	108.2
Idaho	101.6
Colorado	106.2
First Alaska	129.7
Third Alaska	169.4
Fourth Alaska	270.1
All states	34.4

Civil suits

Injunctions won	Number
New York	1,093
New Jersey	358
Ohio	370
Illinois	655

Civil suits—*Continued*

Injunctions won—*Continued*	Number
Michigan	428
Minnesota	225
Montana	206
	3,335
Other states	933
Total	4,268

Injunctions lost	
New York	314
Ohio	210
Illinois	123
	647
Other states	513
Total	1,160

Libel suits resulting in forfeiture	
New York	494
Pennsylvania	1,159
Michigan	314
	1,967
Other states	1,672
Total	3,639

Libel suits resulting in releases	
New York	78
Pennsylvania	186
Maryland	59
Ohio	61
Washington	68
	452
Other states	391
Total	843

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[a] Distilleries are complete plants, including still, cap worm, and other apparatus necessary for the manufacture of distilled spirits. Stills and still worms are separate, stills and still worms not included in the complete plant (distilleries). Fermenters comprise the total number seized, including those at distilleries.

[b] The figures on court action do not agree with those in the report of the Attorney General, as the figures of the Prohibition Bureau are for individuals, while those of the Attorney General are for cases. There are also other discrepancies due to a different base being used by the two offices.

[c] See comment on page 79.

[d] Judicial districts.

[e] Suspended, paroled, and probated sentences not included.

The arrests, prosecutions, convictions and cases pending at the end of the last seven fiscal years have been as follows:[15]

Prohibition Arrests, Prosecutions, Convictions, and Cases Pending, Fiscal Years 1922-1928

Fiscal Year	Arrests	Prosecutions	Convictions	Cases pending at end of year
1922	42,223	34,984	22,749	16,713
1923	66,936	49,021	34,069	23,052
1924	68,161	46,431	37,181	22,380
1925	62,747	51,688	39,072	25,334
1926	58,391	52,989	41,154	20,434
1927	64,986	50,250	36,546	20,173
1928	75,307	70,034	58,813	18,005

At the end of the fiscal year 1928, 1156 prisoners convicted of violation of the prohibition laws were confined in the four federal penitentiaries for men and in the Federal Industrial Institution for Women.[16] The great difference between the number of convictions and of persons in the five federal institutions is due to imposition of fines only and to the fact that many short term prisoners are confined in local jails.

Owing to the great number of prosecutions, many offenders are allowed to plead guilty and a fine is imposed. The days on which pleas of guilty are accepted are commonly known as "bargain days" in the United States courts. Professor McBain comments on this practice as follows:[17]

> . . . The prosecutors could not possibly try by jury all the numerous cases that arise. The courts would be inundated. Cases would pile up endlessly. There would be no possibility of ever catching up with the business. The practice of prosecutors, therefore, is to discard all cases involving the least doubt about the acceptability of evidence, of which there are a great many.

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[15] House Hearings on Treasury Department appropriation bill, 1930 Seventieth Congress, second session, pp. 421, 422.

[16] House Hearings on Department of Justice appropriation bill, 1930. Seventieth Congress, second session, pp. 134, 136.

[17] McBain, pp. 111-12.

Taking, then, only those in which the evidence is relatively unimpeachable, the prosecutor seeks wherever possible to obtain pleas of guilty. And he obtains them. Rarely does an accused person plead guilty unless he has something to gain by the plea. The accused violator of the National Prohibition Act *has* something to gain. He dickers and fences with the prosecuting attorney. He will plead guilty provided the punishment is only a fine of such and such amount. The attorney agrees. In such circumstances the accused does not care a rap about the ancient institution of trial by jury. He escapes a jail sentence, he avoids the delay and publicity of a jury trial. If he is a regular bootlegger he is usually quickly back on his job. Away with jury trial when the road to gentlemanly compromise is so easy. Ninety per cent of liquor convictions before federal courts are had upon pleas of guilty. Upon such pleas prison sentences are almost unknown. The accused cannot complain of being deprived of trial by jury. He does not want a jury trial. If he does he is perfectly free to plead not guilty and run his risk with the jury. This is the situation in practice under the criminal provisions of the National Prohibition Act. And the practice is duplicated in many of the states under state prohibition laws.

In order to obtain more severe penalties than those imposed by the National Prohibition Act offenders are not infrequently prosecuted under Section 5440 of the Revised Statutes, which prescribes penalties for conspiracy to defraud the United States. The Circuit Court of Appeals for the Ninth Circuit on March 11, 1929, held that a conviction on a conspiracy charge will stand notwithstanding the fact that the defendants had been acquitted of substantive offenses and the overt acts in the conspiracy were the same as those charged as substantive offenses. The ruling of the court was in part as follows:[18]

> . . . The law declares that, if two or more persons conspire to commit an offense against the United States, and one or more of such persons does any act to effect the object of the conspiracy each shall be guilty. Sec. 37 Criminal Code; 18 U S C A, Section 88.
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> A conspiracy to commit a crime is a different offense from the crime that is the object of the conspiracy, and it is not

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[18] United States v. Anderson et al. 31 Fed. Rep. (2d), 436.

necessary that all the conspirators join in the overt acts. Bannon and Mulkey v. U. S., 156 U. S. 464, 15 S. Ct. 467, 39 L. Ed. 494; Williamson v. U. S., 207 U. S. 425, 28 S. Ct. 163, 52 L. Ed. 278; U. S. v. Rabinowich, 238 U. S. 79, 35 S. Ct. 682, 59 L. Ed. 1211. Therefore a verdict of not guilty of the substantive offense is not legally inconsistent with a verdict of guilty of a conspiracy to commit such an offense, although the overt acts in the conspiracy charge are the same as those alleged as substantive offenses. Dealy v. U. S., 152 U. S. 539, 14 S. Ct. 680, 38 L. Ed. 545; Rothman v. U. S. (C. C. A.) 270 F. 31; Collins v. U. S. (C. C. A.) 7 F. (2d) 615; Meucci v. U. S. (C. C. A.) 28 F. (2d) 508; Hacker v. U. S. (C. C. A.) 5 F. (2d) 132.

It may be difficult in view of the rule that the act of one conspirator in furtherance of the object of the conspiracy is the act of all, to understand the reasoning of the jury in convicting Anderson on the conspiracy charge and not the substantative offenses; but it is not for us to speculate on that question. It is enough that the verdict on the conspiracy charge is supported by the evidence and responds to the issue. Judgment affirmed.

Violation of the law is also punishable by civil procedure through the use of injunctions. Under the National Prohibition Act any place where liquor is sold or manufactured is declared to be a nuisance, and the court may order that the premises shall not be used for one year for any purpose, although the property may be repossessed by the owner, in the discretion of the court, on the filing of a satisfactory bond (41 Stat. L., 314). This is the so-called "padlock" provision of the act.

The Assistant Attorney General in charge of the division of prohibition, taxation, and prisons, states that this provision is being "constantly urged" by that division.[19] During the fiscal year 1928 the number of injunctions granted totaled 4268. Professor McBain discusses this procedure as follows:[20]

To the government, whatever may be the theory of the law, the padlock injunction is usually, though perhaps not invariably, a penalty. This is proved by practice. It is true that the action for injunction is a civil, not a criminal, action. It is true that it

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[19] Attorney General, Annual Report, 1928, p. 33.

[20] McBain, pp. 115-16.

may be in addition to, not a substitute for, a criminal prosecution. But the fact is that in very common practice it is used as such a substitute. What happens is this: Having discovered evidence of a crime, the prosecutor refuses to accept a plea of guilty in exchange for a light fine. He can, of course, proceed to prosecution before a jury and hope for a sentence of fine or imprisonment or both. But he may know all too well the condoning temper of his probable jury. And he may have so many cases on hand that he cannot possibly try them before juries in any reasonable time. He elects, therefore, to avoid the jury by resort to the injunctive process. He presents his evidence of criminal guilt to a single judge, sitting as chancellor, and secures his injunction. He may even, by the threat of criminal prosecution and a jail sentence, bludgeon the "accused" into not contesting the suit. At any rate, the process is often incredibly speedy. In three days in the month of June, 1928, a single federal judge in New York City granted forty-six injunctions in liquor cases. How many jury cases could probably have been disposed of in like time?

The Supreme Court has specifically ruled that acquittal in a criminal case is not a bar to the issuance of an injunction, the decision being in part as follows:[21]

> If we are right as to the purpose of section 22 [of the National Prohibition Act] the decree in the present case did not impose a punishment for the crime from which the appellants were acquitted by the former judgment. That it did impose a punishment is the only ground on which the former judgment would be a bar. For although the parties to the two cases are the same, the judgment in the criminal case does not make the issues in the present one *res judicata,* as is sufficiently explained in Stone v. United States,[22] 167 U. S. 178 and Chantango v. Abaroa,[23] 218 U. S. 476. The Government may have failed to prove the appellants guilty and yet be able to prove that a nuisance exists in the place.

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[21] Murphy v. United States, 272 U.S. 632.

[22] This was a case to recover damages for cutting timber on public land; the appellant had already been acquitted of a criminal charge of violation of the public land laws.

[23] This was a civil case from the Phillipine Islands; certain property had been burned and the defendant had been acquitted of the criminal charge.

Proceedings against vehicles seized for transporting liquor illegally may be instituted under Section 3450 of the Revised Statutes or Section 26 of the National Prohibition Act (41 Stat. L., 315). Section 3450 was passed in 1866 (14 Stat. L., 151) as a part of the legal machinery for preventing evasion of the tax on liquor. There is a material difference in the effect of proceedings under the two laws. Under Section 26 of the National Prohibition Act "the interests of those who are innocent are not forfeited," but under Section 3450 "the interests of innocent persons in the vehicle are not saved."[24] Moreover, if the person is convicted under Section 26 of the National Prohibition Act, the vehicle must be disposed of under that section.[25]

The work of the Bureau of Prohibition is largely at an end when an arrest is made, as Section 2 of the National Prohibition Act (41 Stat. L., 308) specifically provides that prosecutions shall be conducted by the several United States attorneys in the district courts of the United States, who are under the direction of the Attorney General of the United States.[26] It is of course the duty of the prohibition officers to coöperate with the United States attorneys in presenting the necessary evidence. When the violation is by a permittee, further administrative action is taken by the Prohibition Bureau looking to the revocation of the permit.

The situation in respect to criminal prosecutions is similar to that in the other federal services and in law enforcement work of every character in the states. For instance, the post-office inspectors gather evidence regarding offenses against the postal laws, and make the arrests, but the prosecutions are conducted by the United States attorneys. In cases prosecuted in the state courts the evidence is generally collected by the police, and the case is prosecuted by the district attorney.

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[24] United States v. One Ford Coupe, 272 U. S. 325.

[25] Commercial Credit Co. v. United States, 276 U. S. 231.

[26] For an account of the work of the Department of Justice and the United States attorneys, see Langeluttig, The Department of Justice of the United States (1927). Institute for Government Research, Studies in Administration.

In the estimates of appropriation for the fiscal year 1929 the sum of $75,000 was transferred from the appropriation for the Bureau of Prohibition to that for the Department of Justice. The Assistant Attorney General in charge of prohibition prosecution, reports that this sum will be used "for the traveling expenses, and for additional stenographic help incident to this special work. Provision was made for the appointment of eight attorneys for use on special assignments, and the selection of these assistants is now being carefully and painstakingly made, with a view to securing men of wide experience in criminal cases who will, by virtue of their experience, be able to cope with the most difficult liquor problems and prosecutions throughout the country."[27]

Control of Legal Manufacture and Storage of Alcoholic Liquor. The legal manufacture of alcoholic liquor is recognized by Section 3 of the National Prohibition Act (41 Stat. L., 308), which provides in part as follows:

> Liquor for non-beverage purposes and wine for sacramental purposes may be manufactured, purchased, sold, bartered, transported, imported, exported, delivered, furnished and possessed, but only as herein provided, and the commissioner [of Internal Revenue][28] may, upon application, issue permits therefor: *Provided,* That nothing in this Act shall prohibit the purchase and sale of warehouse receipts covering distilled spirits on deposit in Government bonded warehouses, and no special tax liability shall attach to the business of purchasing and selling such warehouse receipts.

This authority was limited by the act of November 23, 1921 (42 Stat. L., 222), which provides that no permit for the manufacture of spirituous liquor, save alcohol, shall be granted until the amount in distilleries or other bonded warehouses shall "have been reduced to a quantity that in the opinion of the Commissioner, will, with liquor that may thereafter be manufactured and imported, be sufficient to supply the current need thereafter for all non-beverage uses."

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[27] Attorney General, Annual Report, 1928, p. 34.

[28] Power transferred to Secretary of the Treasury by act of March 3, 1927 (44 Stat. L., 1382), and under authority of that act delegated to the Commissioner of Prohibition.

The Commissioner has power to prescribe the form of all permits and to require a bond to insure compliance with their provisions. He also has power to revoke a permit after a hearing.

If proceedings are taken looking to the revocation of a permit the hearing must be held within the same federal judicial district and within fifty miles of the place where the acts constituting the violation are alleged to have occurred, unless the parties agree on another place (41 Stat. L., 312). The hearing may be before the district administrator or another officer of the Bureau designated by the Commissioner or the administrator. Such a designation may be a general one or may be for a particular case.[29]

In case a permit is revoked the applicant may, within thirty days, file an application for reconsideration. If such application is made the administrator may hold a rehearing or may refer the case to a board of review, which makes recommendations to the administrator, who may affirm the original revocation, vacate it, or order a new hearing.[30]

The powers of the Commissioner in granting and revoking permits are broad, but in case an application is disapproved or a permit revoked the applicant or permittee may have the proceeding reviewed in a court of equity (41 Stat. L., 310, 311, 312). As regards the relative power of the Commissioner and the courts, the Supreme Court has ruled as follows:

> On the other hand, it is clear that Congress, in providing that an adverse decision of the Commissioner might be reviewed in a court of equity, did not undertake to vest in the court the administrative function of determining whether or not the permit should be granted; but that this provision is to be construed, in the light of the well established rule in analogous cases, as merely giving the court authority to determine whether, upon the facts and law, the action of the Commissioner is based upon an error of law, or is wholly unsupported by the evidence or clearly arbitrary or capricious.[31]

[29] Regulations 2, sec. 504.

[30] Regulations 2, sec. 516.

[31] Ma-King Co. v. Blair, 271 U. S. 483.

The control over the manufacture and storage of distilled spirits does not present a problem essentially different from that exercised by the Bureau of Internal Revenue from the Civil War to the enactment of prohibition. Since 1864 all legal manufacture of distilled spirits has been under government control to the extent that the receptacles receiving products of the stills were locked and the keys were in the custody of government officers, and at every stage where the product was moved from locked containers the work was done under the direction of revenue officers. The essential features of the control have been described by the Supreme Court as follows:[33]

> To insure collection of the heavy tax that is laid upon distilled spirits the production is carefully supervised and the product is impounded. Rev. Stat., Secs. 3247-3334, as amended; Act of May 28, 1880, c. 108, 21 Stat. 145; Act of August 27, 1894, c. 349, Sections 48-67, 28 Stat. 509, 563-568; 2 Comp. Stat. U. S. pp. 22 *et seq.* Every distiller is required to provide, at his own expense, " a warehouse, to be situated on and to constitute a part of his distillery premises, and to be used only for the storage of distilled spirits of his own manufacture until the tax thereon shall have been paid." This warehouse, when approved by the Commissioner of Internal Revenue, is declared by the statute to be " a bonded warehouse of the United States, to be known as a distillery warehouse," and is " under the direction and control of the collector of the district, and in charge of an internal-revenue storekeeper, assigned thereto by the commissioner " (Sec. 3271). While the statute provides that " every distillery warehouse shall be in the joint custody of the storekeeper and the proprietor thereof," the control of the Government's representative is made dominant, as in the nature of the case it must be in order to fulfill the purposes of the act. The warehouse, the statute continues, " shall be kept securely locked, and shall at no times be unlocked, or opened, or remain open, unless in the presence of such storekeeper, or other person who may be designated to act for him, as provided by law; and no articles shall be received in or delivered from such warehouse except on an order or permit addressed to the storekeeper and signed by the collector having control of the warehouse " (Sec.

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[33] Taney v. Penn Bank, 232 U. S. 181.

3274). Under the departmental regulations "the only lock to the warehouse door must be the Government lock, the key of which must at all times be in charge of the storekeeper." There must be an immediate removal of the distilled spirits to the distillery warehouse as soon as they are drawn into casks or packages and gauged, proved and marked, as required, and thereupon the internal revenue gauger "shall, in the presence of the storekeeper of the warehouse, place upon the head of the cask or package an engraved stamp, which shall be signed by the collector of the district and the storekeeper and gauger; and shall have written thereon the number of the proof-gallons contained therein, the name of the distiller, the date of the receipt in the warehouse, and the serial number of each cask or package, in progressive order, as the same are received from the distillery" (Sec. 3287; Act of May 28, 1880, c. 108, Sec. 6). The spirits must be entered for deposit in the warehouse under the regulations prescribed by the commissioner and bond must be given for the payment of the tax. The statute gives the form of the entry which, made in triplicate and duly verified, must set forth the name of the person making it, the designation of the warehouse, the specification of the spirits deposited, with the marks and serial numbers of the packages, etc., and a statement of the amount of tax. Withdrawal may be made on payment of the tax—which is payable within eight years—by application to the collector in charge of the warehouse and the making of a withdrawal entry (Secs. 3293, 3294; Act of May 28, 1880, c. 108, Secs. 4, 5, 21 Stat. 145; Act of August 27, 1894, c. 349, Sec. 49, 28 Stat. 509, 563). Provision is made for regauging and for an allowance for loss from leakage or evaporation (*Id.* Sec. 50, 28 Stat. p. 564; Act of Mar. 3, 1899, c. 435, 30 Stat. 1349; Act of Jan. 13, 1903, c. 134, 32 Stat. 770); and after four years the spirits may be bottled in bond, in a separate portion of the warehouse set apart for that purpose, under the supervision of the government official (Act of March 3, 1897, c. 379, 29 Stat. 626). The storekeeper is to keep "a warehouse-book" in which all deposits and deliveries are to be entered with appropriate description including marks and serial numbers (Sec. 3301). And the removal "of any distilled spirits from a distillery warehouse . . . in any manner other than is provided by law" is punishable by fine and imprisonment (Sec. 3296).

There had also been established under authority of the internal revenue laws a system of bonded warehouses, in which distilled spirits might be stored for a specified period without payment of the tax on the product. Bottling was also permitted in a bonded warehouse without payment of tax until the products were withdrawn for commercial purposes. The resulting product was known as " bottled in bond " whisky.

The essential features of the bonded warehouse are that the owner gives bond to insure the government against loss of tax, access to the stored liquor cannot be gained except in the presence of a government agent, and before removal or bottling the spirits are gauged by a government officer, generally known as a storekeeper-gauger.

During the pre-prohibition period the work done by government officers looked solely to the protection of the revenues. Any one was free to manufacture after paying the license tax and filing the required bond, and the movement from the warehouse was untrammeled if the tax on the product was paid. Under prohibition the tax features and the physical supervision of manufacture remain the same, but both manufacture and movement may be accomplished only under special permit.

Under the prohibition law there is also some supervision over free warehouses, in which tax paid liquor is stored. Under the pre-prohibition internal revenue laws the government was not concerned with tax paid liquor, but under prohibition it is desirable that liquor be protected from illegal uses. Therefore, under the present system the owners of free warehouses are also bonded. The regulations provide that government locks may be placed on tax-free warehouses and that inspectors may be stationed at them.[33]

The internal revenue laws provide that there might be not exceeding ten general bonded warehouses independent of distillery warehouses in each internal revenue collection district (19 Stat. L., 393). These warehouses were independent of the distilleries, and offered storage facilities for distilled spirits to anyone who might apply. The bonding and the control were the same as in the case of the distillery warehouses.

[33] Regulations 2, secs. 1227, 1228.

These laws were not changed by the National Prohibition Act. In July, 1922, there were 296 bonded warehouses. In order to reduce the number of warehouses and the resultant expense to the government the appropriation act for the fiscal year 1923 authorized the Commissioner to move whisky from one bonded warehouse to another (42 Stat. L., 375). This authority was repeated in later appropriation acts, and by end of the fiscal year 1928, the number of warehouses had been reduced to thirty-seven, of which twenty-seven were concentration warehouses, eight were distillery warehouses, and two were general bonded warehouses. The only distinction between the concentration and the general warehouses is that of size.

No legal gin has been produced since the fiscal year 1918, and no legal whisky since the fiscal year 1922. The production of whisky, rum, and brandy in the fiscal year 1918, the last one of unlimited production, and in each year since has been as follows:

Production of Whisky, Rum, and Brandy, Fiscal Years 1918 to 1928

[In Tax Gallons] [34]

Fiscal year	Whisky	Rum	Brandy
1918	17,383,511.3	1,526,743.4	5,357,325.4
1919	....	815,794.5	1,802,422.3
1920	234,705.2	944,916.5	1,649,445.8
1921	753,374.6	534,507.5	1,530,792.0
1922	315,799.6	864,332.6	1,077,063.2
1923	....	805,322.1	1,417,461.8
1924	....	784,698.9	847,104.5
1925	....	784,986.5	547,727.2
1926	....	894,306.3	643,968.2
1927	....	810,449.4	338,430.7
1928	....	953,350.8	411,515.0

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[34] A tax gallon or taxable gallon is a proof gallon, or a wine gallon less than 100 degrees proof. Proof spirits are defined by Section 3249 of the Revised Statutes as follows: "Proof spirit shall be held to be that alcoholic liquor which contains one half its volume of alcohol of a specific gravity of seven thousand nine hundred and thirty-nine ten thousandths (.7939) at 60° Fahrenheit." A wine gallon is an ordinary gallon of 231 cubic inches. A proof gallon is a wine gallon of proof spirits. A wine gallon of 190 proof spirits equals 1.9 proof gallons.

The greater part of the brandy is used for the fortification of sacramental wines, and most of the rum is denatured for use in the manufacture of tobacco products. Brandy is also used medicinally, and both rum and brandy are permitted to be used in certain food products.

The tax paid whisky used for medicinal and non-beverage purposes in the fiscal year 1928 was less than one-fifth of the quantity so used in the fiscal year 1921. The amounts used each year beginning with 1920 have been as follows:[35]

Whisky Tax Paid for Medicinal and Other Non-Beverage Purposes During the Fiscal Years 1920 to 1928, Inclusive

Year	Tax gallons
1920	5,484,125.2
1921	8,671,860.4
1922	2,654,506.7
1923	1,754,893.9
1924	1,813,178.2
1925	1,923,537.1
1926	1,889,386.5
1927	1,646,142.9
1928	1,542,204.3

The extent of the work in connection with the issuance of permits is shown in the following table:

Issuance of Permits, Fiscal Year 1928

Class	Renewals	New permits	Revoked	Canceled or surrendered	In force June 30, 1928
Manufacture of brandy	13	5	...	2	28
Manufacture of rum	...	...	...	...	2
Manufacture of wine	387	54	3	72	421
Bonded warehouses	23	16	5	17	110
Free warehouses	14	15	2	18	29
Total	437	90	10	109	590

Licensing of Legal Traffic in Alcoholic Liquor. Traffic as here used means transportation, importation, exportation, storage outside of bonded warehouses, sale, and use, regardless of whether the product is utilized commercially or otherwise.

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[35] Statistics concerning intoxicating liquors February, 1929, p. 4.

The National Prohibition Act contains the following specific provisions relative to permissive traffic in alcoholic liquor (41 Stat. L., 309, 310, 311, 318):

> Sec. 4. The articles enumerated in this section shall not, after having been manufactured and prepared for the market, be subject to the provisions of this Act if they correspond with the following descriptions and limitations, namely:
>
> (a) Denatured alcohol or denatured rum produced and used as provided by laws and regulations now or hereafter in force.
>
> (b) Medicinal preparations manufactured in accordance with formulas prescribed by the United States Pharmacopoeia, National Formulary, or the American Institute of Homeopathy that are unfit for use for beverage purposes.
>
> (c) Patented, patent, and proprietary medicines that are unfit for use for beverage purposes.
>
> (d) Toilet, medicinal, and antiseptic preparations and solutions that are unfit for use for beverage purposes.
>
> (e) Flavoring extracts and sirups that are unfit for use as a beverage, or for intoxicating beverage purposes.
>
> (f) Vinegar and preserved sweet cider.
>
> * * * *
>
> Sec. 6 No one shall manufacture, sell, purchase, transport, or prescribe any liquor without first obtaining a permit from the commissioner so to do, except that a person may, without a permit, purchase and use liquor for medicinal purposes when prescribed by a physician as herein provided, and except that any person who in the opinion of the commissioner is conducting a *bona fide* hospital or sanatorium engaged in the treatment of persons suffering from alcoholism, may, under such rules, regulations, and conditions as the commissioner shall prescribe, purchase and use, in accordance with the methods in use in such institution, liquor, to be administered to the patients of such institution under the direction of a duly qualified physician employed by such institution.
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> * * * *
>
> Nothing in this title shall be held to apply to the manufacture, sale, transportation, importation, possession, or distribution of wine for sacramental purposes, or like religious rites,

except section 6 (save as the same requires a permit to purchase) and section 10 hereof, and the provisions of this Act prescribing penalties for the violation of either of said sections. . . .

Sec. 7. No one but a physician holding a permit to prescribe liquor shall issue any prescription for liquor. And no physician shall prescribe liquor unless after careful physical examination of the person for whose use such prescription is sought, or if such examination is found impracticable, then upon the best information obtainable, he in good faith believes that the use of such liquor as a medicine by such person is necessary and will afford relief to him from some known ailment. Not more than a pint of spirituous liquor to be taken internally shall be prescribed for use by the same person within any period of ten days and no prescription shall be filled more than once. Any pharmacist filling a prescription shall at the time indorse upon it over his own signature the word "canceled," together with the date when the liquor was delivered, and then make the same a part of the record that he is required to keep as herein provided.

Every physician who issues a prescription for liquor shall keep a record, alphabetically arranged in a book prescribed by the commissioner, which shall show the date of issue, amount prescribed, to whom issued, the purpose or ailment for which it is used and directions for use, stating the amount and frequency of the dose.

* * * *

Sec. 37.

* * * *

A manufacturer of any beverage containing less than one-half of 1 per centum of alcohol by volume may, on making application and giving such bond as the commissioner shall prescribe, be given a permit to develop in the manufacture thereof by the usual methods of fermentation and fortification or otherwise a liquid such as beer, ale, porter, or wine, containing more than one-half of 1 per centum of alcohol by volume, but before any such liquid is withdrawn from the factory or otherwise disposed of the alcoholic contents thereof shall under such rules and regulations as the commissioner may prescribe be reduced below such one-half of 1 per centum of alcohol.

The above legislation was supplemented and modified by the Willis-Campbell Act of November 23, 1921 (42 Stat. L., 222), which provides in part as follows:

Sec. 2. That only spirituous and vinous liquor may be prescribed for medicinal purposes, and all permits to prescribe and prescriptions for any other liquor shall be void. No physician shall prescribe, nor shall any person sell or furnish on any prescription, any vinous liquor that contains more than 24 per centum of alcohol by volume, nor shall anyone prescribe or sell or furnish on any prescription more than one-fourth of one gallon of vinous liquor, or any such vinous or spirituous liquor that contains separately or in the aggregate more than one-half pint of alcohol, for use by any person within any period of ten days. No physician shall be furnished with more than one hundred prescription blanks for use in any period of ninety days, nor shall any physician issue more than that number of prescriptions within any such period unless on application therefor he shall make it clearly apparent to the commissioner that for some extraordinary reason a larger amount is necessary, whereupon the necessary additional blanks may be furnished him. But this provision shall not be construed to limit the sale of any article the manufacture of which is authorized under section 4, Title II, of the National Prohibition Act.

If the commissioner shall find after hearing, upon notice as required in section 5 of Title II of the National Prohibition Act, that any article enumerated in subdivisions b, c, d, or e of section 4 of Title II of said National Prohibition Act is being used as a beverage, or for intoxicating beverage purposes, he may require a change of formula of such article and in the event that such change is not made within a time to be named by the commissioner he may cancel the permit for the manufacture of such article unless it is made clearly to appear to the commissioner that such use can only occur in rare or exceptional instances, but such action of the commissioner may by appropriate proceedings in a court of equity be reviewed, as provided for in section 5, Title II, of said National Prohibition Act: *Provided,* That no change of formula shall be required and no permit to manufacture any article under subdivision (E), section 4, Title II of the National Prohibition Act shall be revoked unless the sale or use of such article is substantially increased in the community by reason of its use as a beverage or for intoxicating beverage purposes.

The limiting of prescriptions to vinous and spirituous liquor was for the purpose of prohibiting the prescribing of medicinal beer. After the passage of this act the sale of beer containing more than one-half of 1 per cent of alcohol was entirely outlawed, although its manufacture was still permitted under Section 37 of the National Prohibition Act (41 Stat. L., 318) for the purpose of dealcoholizing and producing near beer and other cereal beverages.

The act of 1921 also limited the number of prescriptions allowed to each physician to one hundred in any period of ninety days, unless for extraordinary reasons the Commissioner approved of a larger quantity.

The traffic is controlled by means of a system of basic and supplemental permits. The basic permits are issued for a period of one year expiring December 31, and are for the purpose of establishing the right of the permittee to obtain supplemental permits. The basic permit is not issued until the *bona fides* of the permittee is established to the satisfaction of the Bureau, and until the permittee has filed a bond to insure compliance with the regulations. The Commissioner has broad discretion in the issuance of permits, but an appeal may be made to a court of equity in order to guard against arbitrary action. The powers of the Commissioner and the courts are discussed on page 85.

Having been granted a basic permit, the permittee must obtain a permit to purchase covering each transaction. Persons authorized to sell are not allowed to deliver liquor except on presentation of a permit to purchase.[36] Thus in addition to his basic permit allowing him to procure and sell, the wholesale druggist must obtain a permit to purchase in order to obtain liquor from the manufacturer; the retail druggist must obtain a permit to purchase in order to get his supplies from the wholesale dealer. The carrier holding a basic permit to transfer may not transport the liquor unless he has a copy of the permit to purchase. The transactions in basic permits during the fiscal year 1928 are shown in table on following page.

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[36] A prescription issued by a physician is regarded as a permit to purchase.

Basic Permits, Except for Industrial Alcohol

Classes	In force July 1, 1927	New permits issued	Revoked	Canceled or surrendered	In force June 30, 1928
A. To manufacturers, bonded warehouses attached to manufacturing plant, and free warehouses	622	73	5	144	546
B. Wholesale druggists—to procure and sell......	292	33	1	39	285
C. To transfer, issued to common and other carriers	542	70	3	118	491
D. To import and use, issued to manufacturers	13	7	0	7	13
E. To import and sell, issued to dealers in sacramental wine	53	17	0	23	47
F. To export alcohol only to places other than Canada, Mexico, West Indies and other nearby islands	24	2	1	3	22
G. To export alcohol to Canada, Mexico, West Indies and other nearby islands and other liquors to any destination	93	9	0	24	78
H. To use in manufacture of preparations unfit for beverage use except vinegar and sirup extracts for manufacturing soft drinks and for experimental purposes; issued to manufacturers of medicinal preparations, bakers, ice cream manufacturers, and others.......	26,598	3,303	259	3,948	25,694
I. To use and sell, issued to retail druggists....	17,993	4,298	556	2,906	18,829
J. To physicians to prescribe and to physicians, dentists and veterinarians to use..	94,958	16,906	407	10,405	101,052

Basic Permits, Except for Industrial Alcohol—Continued

Classes	In force July 1, 1927	New permits issued	Revoked	Canceled or surrendered	In force June 30, 1928
K. To manufacture vinegar and to procure liquor for conversion into vinegar	525	86	4	128	479
L. To operate dealcoholizing plants, issued mostly to manufacturers of cereal beverages (near beer)	304	35	15	36	288
M. To use sirups and extracts for manufacturing soft drinks; issued only in special cases.	0	0	0	0	0
N. To procure medicated alcohol in quantities exceeding one pint; issued to manufacturers	18	1	0	10	9
O. To rectify	......	......	......	......	......
P. To receive and possess for storage in bond and sell from concentration; issued to bonded warehouses independent of distilleries	94	30	0	38	86
Q. To hospitals to use.....	2,897	338	10	260	2,965
R. To produce mash for the purpose of manufacturing yeast, after which the residue is to be destroyed	1	0	0	0	1
S. To procure wine for ritualistic purposes; issued to nonreligious organizations requiring wine in their ceremonies	88	29	0	15	102
Special permits for uses not covered by foregoing classes	118	262	1	271	108
Total	145,233	25,499	1,262	18,375	151,095

All permits are issued by the district administrators. As a rule they are fairly well distributed throughout the country, although some are to a large extent concentrated in definite regions owing to social and economic conditions. The states which have large proportions of permits are indicated in the following table:

Distribution of Permits, June 30, 1928

A. To manufacture	
California	326
Other states	220
Total	546

E. To import and sell, issued to dealers in sacramental wine	
New York	36
Other states	11
Total	47

H. To use in manufacture of non-beverage preparations	
Massachusetts	1,252
New York	2,367
Pennsylvania	1,734
Ohio	1,743
Indiana	1,060
Illinois	1,633
Michigan	1,114
California	1,410
	12,313
Other states	13,381
Total	25,694

I. To retail druggists	
New York	4,017
New Jersey	1,162
Pennsylvania	2,497
Ohio	1,030
Illinois	1,596
California	1,932
	12,234
Other states	6,595
Total	18,829

J. To physicians, to prescribe and use	
Massachusetts	6,386
New York	17,003
New Jersey	2,872
Pennsylvania	10,884
Ohio	7,519
Illinois	8,761
Michigan	2,056
Wisconsin	2,963
Minnesota	3,309
Iowa	3,094
Missouri	4,372
California	9,488
Texas	2,588
	81,295
Other states	19,757
Total	101,052

In nineteen states no permits have been issued to retail druggists, presumably because the state laws forbid the use of alcohol medicinally or in filling prescriptions; these states are as follows:

Maine
West Virginia
North Carolina
South Carolina
Georgia
Florida
Alabama
Mississippi
Indiana
North Dakota
Nebraska
Oklahoma
Kansas
Arkansas
New Mexico
Idaho
Washington
Oregon
Arizona

No basic permit is required for a minister to obtain sacramental wine, but the dealer must have a basic permit and the minister must have an application which has been approved by the administrator. There appears to have been considerable diversion of sacramental wine to beverage use, Assistant Secretary Andrews having made the following statement in 1926:[37]

> . . . The distribution of sacramental wine has resulted in diversion to beverage use of wine in the big cities. That is almost exclusively on account of the Government's efforts to satisfy the Jewish faith. The Jewish faith is not organized as our hierarchal churches are. There is no discipline and no control. Anybody can become a rabbi by being certified by the elder rabbi, and the bootlegger has taken advantage of it. Last winter I spent a great deal of time in consultation with the senior rabbis trying to work up a regulation, and they were very helpful. They were very much in earnest. They did not want this thing to go on, and we got that matter worked out very satisfactorily.
>
> However, up in New York City, unfortunately, the man who was charged with the granting of these permits, either through failure to understand or through sympathy with the bootleggers, did not coöperate, and it was three months, or in April, before we found that he was still working on the old basis. Then he was relieved, and since then sacramental wine issued in New York City has dropped down until it is a negligible quantity, and it will remain so. I think I am justified in saying that there will be no more diversion of sacramental wine to beverage purposes.

The wine used for sacramental purposes during the fiscal years 1922-28 was as follows:

Wine Used for Sacramental Purposes, Fiscal Years, 1922 to 1928[38]

	Gallons
1922	2,138,909.96
1923	2,503,489.82
1924	2,944,764.21
1925	2,494,967.77
1926	2,258,234.43
1927	642,871.51
1928	751,308.95

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[37] House Hearings on Treasury Department appropriation bill, 1928. Sixty-ninth Congress, second session, p. 255.

[38] House Hearings on Treasury Department appropriation bill, 1930. Seventieth Congress, second session, p. 389.

The sharp decrease in the use of sacramental wine after the fiscal year 1926 seems to indicate a closer control. In 1928 the Commissioner of Prohibition stated that "there is no troublesome situation in sacramental wine as it affects law enforcement."[38]

The manufacture of cereal beverages or near beer has been the occasion of considerable illegal diversion. In the manufacture of these beverages real beer is generally made, the product is stored in that form, and the alcohol is taken out as needed. The number of dealcoholizing plants and the production of cereal beverages containing less than one-half per cent of alcohol by volume during recent years has been as follows:[39]

Dealcoholizing Plants and Production of Near Beer, Fiscal Years, 1921 to 1928

Fiscal year	Dealcoholizing plants in operation	Near beer produced
		Gallons
1921	454	285,825,830
1922	550	196,781,781
1923	528	163,329,982
1924	483	151,606,909
1925	374	158,676,417
1926	353	150,522,077
1927	342	135,852,372
1928	308	128,999,805

The Commissioner of Prohibition comments on this diversion of real beer as follows:[40]

> . . . If a brewery feels that the coast is clear, and is disposed to violate the law, it is just a question of putting a hose in a high-powered beer tank and filling near-beer kegs with the high-powered beer, and running it out as near-beer. So it is a rather difficult thing to get at.

[39] *Ibid.*, p. 418.
[40] *Ibid.*, p. 417.

The plants and books of all permittees are subject to inspection; some classes of permittees must make detailed records which are subject to examination. At any time the prohibition administrator may require the permittee to supply verified copies of any records specified in the regulations.

The returns and records required for the more important classes of permittees are as follows:[41]

Permittees authorized to receive four hundred proof gallons or more of alcohol or other intoxicating liquor per annum for manufacturing purposes are required to keep the following records:

Amount of alcohol or other intoxicating liquor received
Amount of alcohol or other intoxicating liquor on hand at all times
Name of products in which alcohol or other intoxicating liquor is used
Number of gallons, or amounts however expressed, of each product manufactured, and alcoholic content of such product.

Where permittees keep commercial records containing the above information in such form that the facts may be readily ascertained by an inspection, and are willing at all times during regular business hours to open such records to the inspection of prohibition officers, such records may be accepted in lieu of similar records on official forms and no other records are required.[42]

Persons manufacturing cider or other intoxicating liquors must keep a record of the quantity manufactured, the date of manufacture, and the disposition of all liquor manufactured by them.[43]

The proprietor of a dealcoholizing plant producing cereal beverages marketed with an alcoholic content of less than one-half of one per cent by volume must keep a daily record and summary of each month's transactions. This form is required from proprietors of dealcoholizing plants where fermentation is arrested and the alcoholic content at no time reaches one-half of one per cent by volume in the course of manufacture, as well as from proprietors of plants which produce or develop liquids containing one-half of one per cent or more of alcohol by volume. The quantities of such liquids produced and their disposal, as well as the production and disposal of the cereal beverages marketed with an alcoholic content of less than one-half of one per cent by volume, must be recorded and reported. Monthly returns of the operations at such plants must be made in triplicate, each copy duly sworn to or affirmed, one copy being filed with the administrator, one copy filed with the Commissioner of Prohibition at Washington, D. C., and one copy retained by the permittee and filed, so as to be available for inspection at any time.[44]

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[41] The material below is essentially quoted from the regulations, but some details regarding the blanks and forms have been omitted.

[42] Regulations 2, sec. 101.

[43] Regulations 2, sec. 917.

The proprietor of an industrial alcohol plant producing cereal beverages containing less than one-half of one per cent of alcohol by volume must render monthly reports in triplicate, duly sworn to or affirmed, one copy being filed with the administrator, one copy filed with the Commissioner of Prohibition at Washington, D. C., and one copy retained by the permittee and filed so as to be available for inspection. There must be reported the quantities of fermented liquids containing one-half of one per cent of alcohol by volume received and produced and the disposal thereof. The report must also show the production and disposal of cereal beverages containing less than one-half of one per cent of alcohol by volume, and contain a detailed statement of fermented liquids received from dealcoholizing plants and from breweries not contiguous to the industrial-alcohol plant rendering the return. When fermented liquids containing one-half of one per cent of alcohol by volume are removed from a dealcoholizing plant or brewery to a contiguous industrial-alcohol plant as distilling material, the details of each removal need not be stated, but the totals of such removals for the month must be reported.

[44] Regulations 2, sec. 1023.

Proprietors of industrial-alcohol plants must also show the kind, quantity, and alcoholic content of liquors received and give detailed information covering each shipment, showing the serial numbers of packages, premises from which shipped, shippers' permit numbers, date received, etc.[45]

Proprietors of fruit distilleries producing beverages containing less than one-half of one per cent of alcohol by volume must render monthly reports in triplicate, duly sworn to or affirmed, two copies being forwarded to the administrator and one copy retained and filed by the permittee. The permittee must show the wines received or produced by him and used as distilling material, also the production and disposal of wines containing less than one-half of one per cent of alcohol by volume. Detailed statements of wines received from wineries and bonded premises must be made.

Wine stamps must be accounted for by the distiller. Proprietors of such distilleries must also show the kind, quantity, and alcoholic content of liquors received and give detailed information covering each shipment, showing the serial numbers of packages, premises from which shipped, shippers' permit numbers, date received, etc.[46]

Persons who have qualified and are operating as brewers must make a report in triplicate. One copy is retained by the brewer and two copies are forwarded to the administrator.[47]

A person holding a permit to use liquor in the manufacture of food products must keep records showing the following:

The kinds of liquor deposited in the storage room
The amount of each kind so deposited
The kinds of liquor withdrawn from storage
The amount of each kind so withdrawn
The date of each entry into or withdrawal from storage.[48]

All persons authorized to use intoxicating liquor in manufacturing preparations unfit for beverage use and all druggists must make a report each month even though no liquor was received, possessed, sold, or used during the month.[49]

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[45] Regulations 2, sec. 1024.
[46] Regulations 2, sec. 1025.
[47] Regulations 2, sec. 1026.
[48] Regulations 2, sec. 1128.

There must be reported monthly the quantity of alcohol or other liquor used for non-beverage purposes in the manufacture of preparations or for laboratory or technical use as required. The statement must show the quantity of liquor used and not the quantity of preparations manufactured in which such liquor is used.[50]

The quantity of alcohol and wine used in the manufacture of food products, flavoring extracts, and sirups during the fiscal year 1928 was as follows:[51]

Alcohol and Wine Used in the Manufacture of Food Products, Flavoring Extracts, and Sirups, Fiscal Year 1928

State	Alcohol	Wine
	Proof gallons	*Wine gallons*
Massachusetts	254,075.59	712.17
New York	599,509.11	40,633.80
New Jersey	144,997.98	39,160.88
Pennsylvania	134,653.66	54,657.14
Tennessee	143,568.20	277.50
Ohio	150,809.51	1,208.73
Illinois	483,924.46	29,791.68
Minnesota	141,429.97	151.00
Missouri	160,535.59	607.30
California	160,145.54	221,199.22
	2,373,649.61	388,399.42
Other states	622,827.78	7,490.53
Total	2,996,477.39	395,889.95

The amount of alcohol and wine used in medicinal preparations unfit for beverage use during the fiscal year 1928 was as follows:[52]

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[49] Regulation 2, sec. 1137.

[50] Regulations 2, sec. 1140.

[51] Statistics concerning intoxicating liquors, February, 1929, p. 11.

[52] *Ibid.*, p. 10.

Alcohol and Wine Used for Medicinal Preparations Unfit for Beverage Use, Fiscal Year 1928

State	Alcohol	Wine
	Proof gallons	*Wine gallons*
Massachusetts	355,205.34	17,508.53
New York	717,595.08	230,731.85
New Jersey	127,559.52	66,716.84
Pennsylvania	623,200.48	137,181.97
Maryland	328,028.94	3,430.86
Tennessee	149,450.37	4,635.41
Ohio	175,697.90	7,160.72
Indiana	218,837.82	4.86
Illinois	376,258.25	104,732.50
Michigan	431,355.09	14,923.52
Missouri	251,634.12	7,403.10
California	149,033.09	374,489.29
	3,903,856.00	968,919.45
Other states	584,461.66	16,893.40
Total	4,488,317.66	985,812.85

Where liquor is lost through theft, breakage, leakage, or other cause, the quantity must be reported and a sworn statement, in duplicate, attached giving all pertinent facts relative to the loss; except that such sworn statement need not be attached if there are no unusual circumstances and the quantity lost is less than one per cent of the quantity to be accounted for during the month.[53]

The proprietor of a concentration warehouse must keep a record for the free or tax-paid warehouse. Each distiller holding a permit for storage at a concentration warehouse must keep a record covering his spirits removed from the bonded warehouse, and a separate record covering his spirits entered into and removed from the free or tax-paid warehouse. Each owner of spirits on deposit in the concentration tax-paid warehouse is required to keep at the warehouse a record book covering such spirits. The record of the proprietor of the concentration ware-

[53] Regulations 2, sec. 1143.

house for his bonded warehouse must show all spirits removed from bond, the record of the proprietor of the concentration warehouse for his tax-paid or free warehouse must show all spirits entered into and all spirits removed from the warehouse, regardless of whether the same entries are made in the record of a distiller holding a storage permit, or the owner of the spirits on the deposit in the warehouse.[54]

Each rabbi, priest, or other officer of a religious organization or congregation receiving and distributing sacramental wine must keep a record in the English language, showing the date and quantity of all wine received by him, and the date and quantity of each delivery and the name and address of the person to whom each delivery is made, such record to be open to the inspection of any officer of the Bureau of Prohibition at any time. At the time of making an application and at any other time when required by the administrator, he must file with the administrator a report, duly sworn to, showing the quantity of wine received since the date of his last report, the date when each quantity was received, and the date and quantity of each delivery of wine made by him, with the name and address of the person to whom each such delivery was made, and a statement of the quantity of wine remaining in his possession on the date of such report. He must attach to such report the original receipt taken by him from each person to whom a delivery of wine was made.[55]

Each person who sells liquor at wholesale must keep a record. Each distiller and each proprietor of a general or special bonded warehouse must keep a record for the bonded warehouse, and a separate record for the free or tax-paid warehouse maintained in conjunction with the bonded warehouse. Distillers, proprietors of distilleries, general and special bonded warehouses, and wholesale druggists when making sales of distilled spirits bottled in bond must enter in their record the serial number of the case stamp in each package, and, in instances where sales are made of remnant packages or less than full-case lots, the serial number of the strip stamp on each bottle must be entered. Where the case or strip stamp does not bear a serial number, it must be so stated in the record. All persons who are required to keep records must make monthly sworn transcripts of all entries for the preceding month in duplicate and forward one copy of each form to the administrator and one copy to the Commissioner of Prohibition.[56]

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[54] Regulations 2, sec. 1229.
[55] Regulations 2, sec. 1425.

Where a wholesale druggist holding a permit authorizing the sale of intoxicating liquor at wholesale also holds a permit authorizing the use of liquor for non-beverage purposes, he must keep separate the liquor procured under the two permits and make separate reports of each. If any liquor procured under the permit to sell at wholesale is to be transferred to the manufacturing premises for use under the permit to manufacture, a permit to purchase must be procured authorizing such transfer. Appropriate entries must be made on the records showing the transfer of such liquor.[57]

Retail druggists or pharmacists who purchase and sell intoxicating liquor are required to keep records showing detailed entries of all intoxicating liquor received and sold by them, which entries must be made promptly at the time such liquor is received or sold. One copy of this record book is furnished by the administrator to each druggist or pharmacist holding permit to sell liquor on prescription. Upon receipt of distilled spirits bottled in bond the permittee must enter the serial numbers of the case and strip stamps; and immediately upon making sales of bottled-in-bond distilled spirits must enter in the record the serial number of the strip stamp attached to each bottle; if the strip stamp does not bear a serial number the entry "No number" must be made. When a sale is made on a physician's prescription, the prescription number and name of physician must be entered. Either the original sheets or transcripts prepared with pen and

[56] Regulations 2, sec. 1519.

[57] Regulations 2, sec. 1520.

ink or typewriting machine must be filed with the administrator monthly, showing all transactions during the preceding month.[58]

A retail druggist or pharmacist holding a permit must file with the transcript of the sales record, all filled and cancelled prescriptions on which liquor was sold during the previous month. The prescriptions and transcript of record are forwarded to the administrator, but in all states where it is required by state law that physicians' prescriptions shall be kept by the druggist or pharmacist for a stated period of time, the administrator, upon receiving the filled and cancelled prescriptions as above provided, checks and further cancels them by perforations and returns them. Where there is no such requirement by state law, the filled and cancelled prescriptions when received by the administrator are checked, further cancelled by perforations, and retained in his office.[59]

Retail druggists must report the quantity of intoxicating liquor sold on physicians' prescriptions and the number of prescriptions filled. Sales of liquor pursuant to permits to purchase to other permit holders must be reported.[60]

The quantity of whisky sold on physicians' prescriptions during the fiscal year 1928 was as follows:[61]

Whisky Sold on Physicians' Prescriptions, Fiscal Year 1928

	Wine gallons
Massachusetts	85,106.60
New York	292,855.89
Pennsylvania	142,804.33
Kentucky	52,072.43
Illinois	172,242.26
Wisconsin	52,762.00
Missouri	82,987.43
Texas	71,708.84
California	118,649.77
	1,071,189.55
Other states	302,243.60
Total	1,373,433.15

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[58] Regulations 2, sec. 1615.

[59] Regulations 2, sec. 1617.

[60] Regulations 2, sec. 1141.

[61] Statistics concerning intoxicating liquor, February, 1929, p. 9.

The total amount of other liquors sold in all states on prescription was as follows:[63]

Liquors Other Than Whisky Sold on Physicians' Prescriptions, Fiscal Year 1928

	Wine gallons
Alcohol	1,328.62
Brandy	11,600.57
Gin	3,040.44
Rum	2,754.93
Wine	29,929.40
Total	48,653.96

A physician who has obtained and holds a permit therefor may prescribe distilled spirits, wines, or alcoholic medicines fit for use for beverage purposes, for a patient upon whom he is in attendance, if, after careful physical examination of such person, or, if such examination is impracticable, then upon the best information obtainable, he in good faith believes that the use of such liquor as a medicine by such person is necessary and will afford relief to him from some known ailment. Under no other conditions is it lawful for a physician to prescribe such liquors. The prescribing of such liquors on "information" as to the necessity therefor obtained from other sources than from a careful physical examination of the patient when such examination is not impracticable, is not authorized by the act. The belief, in good faith, of the physician that the use of such liquor as a medicine by the patient is necessary and will afford relief from some ailment with which such person is suffering, known to the physician, must be based upon a careful physical examination of such patient made by the physician unless a personal physical examination is impracticable. Where a personal physical examination is impracticable, the physician may base such belief as to such necessity upon such information as to the condition of the patient as he would in good faith require for prescribing medicines other than liquor for use by his patients under similar circumstances.

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[63] *Ibid.*

No prescription may be issued for a greater quantity of liquor than is necessary for use as a medicine by the person for whom it is prescribed in the treatment of an ailment from which such patient is known by the physician to be suffering. No prescription may be issued for internal or external use by any person within any period of ten days for (1) more than a pint of spirituous liquor, (2) any vinous liquor which contains more than 24 per cent of alcohol by volume, (3) more than one quart of vinous liquor, or (4) any such vinous or spirituous liquor containing more than one-half pint of alcohol.[63]

Prescription blanks are issued by the administrator in serially numbered books of one hundred blanks each, and may be procured free of cost from the administrator by any physician holding a permit to prescribe. The blanks are engraved on specially designed watermarked paper, the serial number of the book being shown on each form and also each form being serially numbered from 1 to 100 within the book. Not more than one such prescription book may in any case be issued or furnished by the administrator to the same physician at one time, nor shall more than one book be issued during any period of ninety days unless the physician shall show to the satisfaction of the administrator in the manner hereinafter provided, that for some extraordinary reason additional prescription blanks are necessary.

If a physician has exhausted a book of prescriptions issued to him, or if it becomes apparent that the number of blanks remaining therein will not be sufficient to meet his legitimate needs during the period of ninety days from the date of receipt of the book, and in the opinion of the physician an extraordinary cause renders necessary the furnishing to him of more prescription blanks during such period, he may file with the administrator an application for such additional blanks, supported by a sworn statement in writing as to the extraordinary cause believed by him to exist and any other evidence in that respect which he may see fit to submit. If the extraordinary cause claimed to exist is an epidemic or unusual prevalence of disease (in the treatment of which intoxicating liquors are indicated), the physician must support his application with verified statements from the public health officers of his community as to such conditions. The administrator will investigate the circumstances set forth in the application and if he finds the necessity exists for the physician to have additional blank prescriptions he will thereupon issue them.[64]

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[63] Regulations 2, sec. 1705.

No physician may issue any prescription for liquor other than on the prescribed form, and no druggist or pharmacist may fill any prescription other than on such form, except that in the case of an epidemic or a sudden and unforeseen accident or calamity, a physician holding a permit to prescribe may issue a prescription for intoxicating liquor upon a form other than the official one where failure to issue such prescription might result in loss of life or intense suffering; he must indorse on such prescription the words "grave emergency," and the duplicate copy of such emergency prescription, when sent to the administrator, shall be accompanied by a statement of the details of such emergency. Such emergency prescriptions must be prepared in duplicate and reported to the administrator each month. All prescriptions for liquor, whether on the official blank or otherwise, must be correctly dated, written in duplicate, and both copies signed by the physician, and they must contain all the data called for on the form except that he is not required to name therein the druggist or pharmacist who shall fill such prescription. The duplicate of an unofficial prescription or of a prescription on the official form (contained on the stub attached to blank prescription) must be completely written before the prescription is delivered to the patient.[65]

The prescription blanks issued by the administrator are printed with stubs attached, the stub of the blank being a duplicate thereof. The books containing the stubs or duplicate copies of prescriptions issued must be returned to the administrator from whom secured immediately upon the last prescription blank contained therein is used, or earlier if so directed by the administrator. Any unused, mutilated, or defaced blanks remaining in the book (or in the possession of the physician) must also be returned. The duplicate copies of prescriptions written on other forms in emergency cases must be forwarded to the administrator at the end of the month in which issued.[66]

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[64] Regulations 2, sec. 1708.

[65] Regulations 2, sec. 1709.

Every physician who prescribes intoxicating liquor is required to keep a book record alphabetically arranged by surnames of the patients of every prescription for intoxicating liquor issued by him, showing the date of the prescription, the amount and kind of liquor prescribed, the name and address of the patient to whom issued, the ailment for which prescribed, and the direction for use thereof, including the amount and frequency of the dose.

A physician who is authorized to procure more than six quarts of liquor during any year for administering to his patients must keep a record showing the date each quantity is administered, the name and address of the patient, the kind and quantity of liquor administered, and proof of spirituous liquor.[67]

In the administering of liquor to patients in hospitals, a separate prescription must be issued by a physician holding a permit to so do for each patient in whose treatment the use of such liquor is necessary. Such prescriptions need not be written on official forms, but may be written in a book provided therefor by the institution.[68]

Every person conducting a hospital or sanitarium at which intoxicating liquor is administered to patients, or alcohol is issued to attendants for rubbing purposes, on prescriptions as provided, is required to file with the administrator at the end of each month the carbon copies of the record of prescriptions made during the month, certified under oath by the superintendent of the institution as true and correct.[69]

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[66] Regulations 2, sec. 1710.
[67] Regulations 2, sec. 1714.
[68] Regulations 2, sec. 1718.
[69] Regulations 2, sec. 1722.

At institutions engaged in the treatment of person suffering from alcoholism three records must be kept:

(a) The first record must contain the name of the patient with his place of residence, his age, the date of entry, the date of departure from the institution, together with a statement of the condition for which he was treated.

(b) The second record must show: (1) The name of the patient with the serial number assigned to him; (2) the condition for which treated; and (3) the amount of liquor administered at intervals during the period treated.

Monthly a transcript of this record must be filed with the administrator, with the exception of the name, the appropriate serial number always being shown on the transcript for purposes of identification and comparison with the two records kept at the hospital or sanitarium.

(c) The third record must contain the following data:

The quantity and kind of liquor on hand first of month or date of inventory
The quantity received during the month
The quantity dispensed to patients
The quantity used in compounding tonics and other legitimate alcoholic compounds for use in the hospital or sanitarium during the month
The quantity on hand at the end of the month.

A transcript of this record must be filed monthly with the administrator.[70]

The above record must be permanently kept open to inspection at all reasonable times by proper officers, so long as the hospital or sanitarium is operated; and in case of a hospital or sanitarium discontinuing business the administrator must be notified, so that he may have the records and supplies of liquor on hand examined.[71]

The person in charge of a first-aid station, dispensary, infirmary, clinic, or visiting nurses' association procuring alcohol must keep a record showing the amount of alcohol on hand at the beginning of each month, each quantity later received and date of receipt, the total quantity used during the month, the purpose for which used, and the amount on hand at the end of the month. This record must be in duplicate and signed by the person in charge. One copy will be filed at the premises where the alcohol is kept and one copy forwarded as a report to the administrator. In case no alcohol is received or used during any month, the record must nevertheless be kept, and a copy forwarded to the administrator to show the quantity on hand, if any.[72]

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[70] Regulations 2, sec. 1725.

[71] Regulations 2, sec. 1726.

Each person holding a permit to transport liquor is required to keep, at the place of shipment, a record in book form containing, so far as applicable, the following information covering each package of liquor received for transportation:[73]

Name, address, and permit number of the consignor
Name and address of the consignee and number of permit to purchase covering the shipment
Kind and quantity of liquor contained in package
Date of shipment.

In the case of local transportation to or from the station of a common carrier the person holding the permit to transport must keep the record specified in the preceding paragraph.[74]

The vendor must keep on file, open to inspection of the government officers, in addition to other records required by the regulations, a memorandum or record showing the following:[75]

Name of the persons furnishing the identification of person in charge of the truck
Detailed information concerning the check tendered in payment for the liquor; cash payments are not permitted
The automobile and driver's license numbers.

Control of Industrial Alcohol. Under Section 1 of Title III of the National Prohibition Act (41 Stat. L., 319) industrial alcohol includes ethyl alcohol in its pure state, as well as the completely and the specially denatured alcohol derived from it. Ethyl alcohol in its pure state is subject at present to a tax of $1.10 a gallon (44 Stat. L., 104), but denatured alcohol has been free of tax since 1906 (34 Stat. L., 217; 41 Stat. L., 320). Pure alcohol may also be obtained tax free "by the United States or any governmental agency thereof, or by the several states and territories or any municipal subdivision thereof or by the District of Columbia, or for the use of any scientific university or college of learning, any laboratory for use exclusively in scientific research, or for use in any hospital or sanatorium" (41 Stat. L., 321).

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[72] Regulations 2, sec. 1729.
[73] Regulations 2, sec. 1807.
[74] Regulations 2, sec. 1815.
[75] Regulations 2, sec. 1818.

Persons entitled to use tax free pure alcohol must make a report in triplicate each month showing all alcohol on hand, received, and used. This report must be sworn to by the head of the institution.[76]

Dealers in tax paid alcohol must keep essentially the same records and make the same reports as are required of dealers in beverage liquor.

The output of ethyl alcohol during the fiscal year 1928 amounted to 169,149,904.83 proof gallons, the product being disposed of mainly as follows:[77]

Disposal of Ethyl Alcohol Output of Fiscal Year 1928

	Proof gallons
Used as ethyl alcohol	
Withdrawn tax paid for industrial uses	8,674,980.78
Withdrawn tax free for scientific purposes	1,154,243.41
Withdrawn tax free for use of the United States and subdivisions	1,186,488.13
Transferred to vinegar plants	1,673,076.40
Transferred to denaturing warehouses for denaturing	154,994,700.15

During the fiscal year 1928, there were licensed fifty-five plants for the manufacture of alcohol, seventy-two bonded warehouses for storage, and eighty-two plants for denaturing. Practically all of the manufacturing plants are also licensed and operate as denaturing plants, and there is to that extent a duplication of the figures as regards number of establishments.

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[76] Regulations 3, art. 76.

[77] Commissioner of Prohibition, Annual Report, 1928, p. 33.

The extent of the alcohol industry is indicated by the following table:

Alcohol Production, 1920 to 1928[78]

[Wine gallons]

Year	Pure alcohol produced	Pure alcohol used in manufacturing denatured alcohol	Denatured alcohol produced		
			Completely	Specially	Total
1920	47,702,783.41	24,021,551.8	13,528,402.99	15,307,947.18	28,836,350.17
1921	44,778,303.33	20,427,441.4	12,392,595.02	9,996,229.90	22,388,824.92
1922	42,055,842.90	31,342,062.9	16,193,523.60	17,152,224.31	33,345,747.91
1923	64,422,552.52	55,694,423.6	27,128,229.54	30,436,913.14	57,565,142.68
1924	71,525,118.81	63,987,471.6	34,602,003.72	33,085,292.04	67,687,295.76
1925	87,455,535.68	78,405,379.4	46,983,969.88	34,824,303.28	81,808,273.16
1926	106,458,773.81	100,879,003.7	65,881,442.43	39,494,443.80	105,375,886.23
1927	97,012,114.19	89,807,071.9	56,093,748.16	39,354,928.48	95,448,676.64
1928	89,026,265.70	84,047,041.1	46,966,601.28	45,451,424.28	92,418,025.56

Industrial Alcohol Plants[79]

Year	Plants manufacturing alcohol	Alcohol bonded warehouses	Denaturing plants
1920....................	37	37	24
1921....................	70	76	65
1922....................	73	78	74
1923....................	76	80	83
1924....................	68	74	83
1925....................	71	73	91
1926....................	63	71	83
1927....................	62	77	89
1928....................	55	72	82

Ethyl alcohol is used industrially as a solvent for pharmaceuticals, spices, and extracts. It is also used by hospitals and physicians as an antiseptic, by scientific establishments as a necessary reagent in connection with many experiments, and by museums as a preservative.

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[78] House Hearings on Treasury Department appropriation bill, 1930. Seventieth Congress, second session, p. 409; Commissioner of Prohibition, Annual Report, 1928, p. 34.

[79] *Ibid.*, p. 409.

Denatured alcohol is unfit for beverage use, and is used entirely in the manufacture of various commodities, for preparations for external use, and as an anti-freeze solution. The denaturing is effected by adding various substances specified and approved by the Commissioner of Prohibition.[80] The denatured products are divided into two main groups—completely denatured and specially denatured.

The essential difference between completely denatured and specially denatured alcohol is that the completely denatured alcohol is so offensive to the taste that there is slight possibility of its being used for beverage purposes. In addition there is little likelihood of the offensive ingredients being removed by distillation or other manipulation. For these reasons traffic in completely denatured alcohol is subject to less restrictions than that in the specially denatured product.

Completely denatured alcohol is prepared according to two formulas, the added substances being mainly wood alcohol, benzine, or kerosene. Its greatest use is as an anti-freeze for automobile radiators, although it is employed to some extent in manufacturing, particularly in the paint and varnish industries.

Specially denatured alcohol is at present prepared under sixty formulas. A variety of formulas is necessary, as a denaturant adapted for one product might be ruinous in the case of others. The following statement of the Commissioner of Prohibition illustrates the uses:[81]

> . . . Without a large supply of industrial alcohol at a moderate cost a great many of our essential industries would hardly exist, let alone prosper. Since the war the United States has had a wonderful development along chemical manufacturing lines and to-day our industries consume more industrial alcohol than do the industries of any other country.

[80] The formulas and the quantity made under each one are given in the Annual Report of the Commissioner of Prohibition for 1928, pp. 34-40.

[81] House Hearings on Treasury Department appropriation bill, 1930. Seventieth Congress, second session, p. 410.

It is a necessary solvent in the preparation of hundreds of drugs and medicinal preparations. It is the solvent used in the preparation of flavoring extracts, both household and manufacturing extracts. It is employed as a solvent as well as a component part in the manufacture of many synthetic chemical compounds used medicinally and in the arts and industries. It is employed in the manufacture and purification of many of the so-called "coal tar" medicinal compounds. It is a necessary solvent in the manufacture of dyes. It is a necessary material for the manufacture of ethyl ether, both technical and anesthetic grades. It is a necessary solvent for all manners and kinds of varnishes, shellacs, paints, lacquers, and miscellaneous protective coverings. Industrial alcohol as such and ethyl acetate, which is manufactured from alcohol, are widely used in the manufacture of lacquers which employ nitrated cotton as a base. The entire automobile industry employs millions of gallons of these cotton lacquers annually. It is used as a cleaning fluid, as a sterilizing agent in hospitals, and is employed widely as an antifreezing agent in automobile radiators. One of the principal grades of artificial silk requires large quantities of alcohol and ether made from alcohol.

These few above mentioned necessary uses of alcohol merely illustrate its wide employment in all of our industrial operations. Its manufacture is regarded by the War Department as a key industry to our national defense.

The denaturants employed for the purpose of rendering industrial alcohol unfit for beverage purposes and still provide its industrial use under reasonable commercial conditions have been selected after a great amount of research by the scientists and technologists of the industry concerned in coöperation with the Government. The denaturants are selected on account of certain necessary technical and manufacturing considerations. Many of the denaturants add to the utility of the industrial alcohol. As science advances, the employment of specific denaturants must be given continuous study and at the present time the Industrial Alcohol Institute maintains a research fellowship in the Mellon Institute at Pittsburgh for the particular study. . . .

The amount of specially denatured alcohol used for the more important products during the fiscal year 1928 was as follows:[83]

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[83] Commissioner of Prohibition, Annual Report, 1928, p. 40.

Specially Denatured Alcohol Used During Fiscal Year 1928[83]

	Wine gallons
Antiseptic solutions	623,734
Artificial silk	3,511,764
Barber supply preparations	32,464
Bathing alcohol	890,365
Bay rum	284,462
Chemicals	3,933,040
Dentifrices and tooth paste	69,524
Deodorants and disinfectants	189,814
Drugs and medicinal supplies	2,754,684
Dyes and dye intermediates	594,853
Ether	2,091,545
Ethyl acetate	4,353,166
Fungicides and insecticides	37,631
Hair tonics	2,049,240
Lacquers, lacquer thinners and solvents	8,702,052
Leather and leather solutions and substitutes	1,171,234
Liniments and lotions	1,122,663
Nitrocellulose	5,515,229
Perfumes	685,010
Photographic supplies	488,137
Polishes and cleaning fluids	97,309
Pyroxylin	3,830,416
Shellacs, varnishes, and paints	5,590,152
Soaps, all kinds	509,120
Tincture of iodine	288,907
Tobacco and tobacco solutions	1,266,551
Toilet preparations	1,333,813
Toilet waters	1,989,618
Vinegar	7,907,006
Miscellaneous articles and uses	10,793,900
Total	72,707,403

The manufacture of alcohol, its storage, and its denaturing are subject to the same continual supervision by government inspectors as the distilling and storage of distilled spirits.[84] The Commissioner also has a broad discretion in the matter of granting and revoking licenses, but his action is subject to review by the courts if it is arbitrary or not supported by law.[85]

The distribution of alcohol plants, bonded warehouses and denaturing plants is as follows:[86]

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[83] The quantity of specially denatured alcohol used is considerably greater than the production. This is due in small part to the carry over from the production of the previous year, but is owing mainly to the fact that more than a third of the quantity used in manufacturing is recovered and again used.

[84] See p. 86.

[85] See p. 85.

[86] Commissioner of Prohibition, Annual Report, 1928, pp. 32, 41.

Distribution of Alcohol Plants, Bonded Warehouses, and Denaturing Plants, June 30, 1928, and Production During Fiscal Year 1928

State	Number of industrial alcohol plants	Number of bonded warehouses	Ethyl alcohol produced	Transferred to denaturing plants	Number of denaturing plants	Denatured alcohol produced	
						Completely	Specially
			Proof gallons	*Proof gallons*		*Wine gallons*	*Wine gallons*
Massachusetts	1	4	6,154,832.50	6,616,322.10	4	1,612,939.90	2,428,852.52
Connecticut	..	..	......	......	1	1,429.00	6,585.75
New York	4	8	7,937,766.14	6,983,434.91	14	3,291,106.82	1,321,965.49
New Jersey	3	4	23,344,226.45	22,426,856.80	7	4,404,143.69	8,008,420.86
Pennsylvania	6	9	34,929,049.30	33,775,024.00	9	10,971,247.61	7,199,326.45
Maryland	2	3	26,743,780.07	23,651,070.39	2	2,652,338.57	13,986,964.22
District of Columbia.....	1	1	......	......	1	153,502.67	13,011.00
West Virginia	..	..	......	......	1	......	......
Louisiana	12	11	42,144,313.80	29,969,567.88	10	13,183,604.11	3,011,462.44
Kentucky	..	1	......	......	2	......	210,958.19
Ohio	1	2	2,265,422.10	3,422,221.20	1	977,849.33	924,443.35
Indiana	3	2	4,877,481.30	8,108,616.10	3	2,329,226.90	3,166,046.87
Illinois	6	7	6,764,799.41	11,027,547.30	10	3,848,529.33	3,419,625.64
Michigan	2	3	1,351,366.00	1,260,625.60	2	712,347.90	......
Wisconsin	3	3	557,204.65	481,222.06	3	163,544.40	173,037.62
Minnesota	2	2	155,327.95	111,565.66	2	18,031.32	33,521.10
Missouri	1	5	231,997.80	......	..	......	......
Colorado	2	2	47,923.02	7,558.20	2	52.50	3,217.00
Washington	..	..	......	......	1	......	159.60
California	5	4	7,625,669.77	7,009,549.75	6	2,643,395.13	1,535,753.58
Hawaii	1	1	113,713.00	143,518.20	1	3,312.10	8,072.60
Total	55	72	165,244,873.26	154,994,700.15	82	46,966,601.28	45,451,424.28

The fact that for some states the amount transferred to denaturing plants is greater than the production is due in part to the carry over, but more generally to the receipt of alcohol from other plants.

On January 1, 1928, for the first time a definite limit was placed on the amount of alcohol that might be produced. The total quantity allowed for the calendar year 1928 was 12½ per cent less than the production during the fiscal year 1927. Each plant was allotted a fixed quota, with the provision that only 40 per cent of the quota could be produced during the first six months of the calendar year 1928, provided legitimate industries did not require more than the amount specified. The Commissioner states:

> . . . This program has been of great benefit to the alcohol industry and the trade by preventing an overproduction of alcohol and avoiding unstable conditions in the trade in regard to their raw material.[87]
>
> . . . The result has been that we have avoided this year [1928] a large surplus production of alcohol, which had always created chaotic enforcement conditions, as it found its way into the market through illicit channels ultimately, and created a bad condition for the legitimate trade as well.[88]

Specially denatured alcohol, when shipped from denaturing plants, must be reported by the denaturer. Each such report must show the name of the manufacturer or dealer to whom the alcohol is consigned, the address, district, and permit number of such manufacturer or dealer, the date of shipment, the number and serial numbers of the tanks or packages, the number of wine gallons shipped, and the formula number.[89]

All alcohol received, used for denaturing, or withdrawn for shipment must be entered daily by the proprietor and summarized monthly.

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[87] *Ibid.*, p. 15.

[88] House Hearings on Treasury Department appropriation bill, 1930. Seventieth Congress, second session, p. 386.

[89] Regulation 3, art. 103.

Denaturants received must be recorded by the proprietor on the date on which received, and denaturants must be entered on the date used. A monthly summary of denaturants received and used must be made.

Denatured alcohol produced and disposed of must be entered daily and a summary of all transactions must be made. Complete details of all shipments or deliveries of specially denatured alcohol must be shown. Entries of shipments or deliveries of completely denatured alcohol must in each instance show the name and address of the consignee; the number, kind, and serial numbers of packages or tanks shipped or delivered to such consignee, and the total wine gallons thus shipped or delivered.

Recovered alcohol, received and restored at denaturing plants, must be entered daily, and the record must also show the quantity of ethyl alcohol restored from such recovered alcohol and the quantity lost in process of restoration. The ethyl alcohol so produced must be immediately entered as a receipt of alcohol. A summary of all transactions with respect to recovered alcohol must be furnished monthly.

Daily reports of all alcohol and denaturants used and denatured alcohol produced must be made in triplicate by the proprietor of each denaturing plant. One of the triplicate copies is retained by the proprietor of the plant as a permanent bound record and the remaining copies are delivered at the close of each day to the government officer in charge. The latter at the close of the day transmits one copy to the administrator and forwards the other directly to the Commissioner.

Report showing details of packages filled must be made daily, in triplicate, by the proprietor of each denaturing plant, separate sheets being used for each formula. One copy of the report is retained by the proprietor and bound as a permanent record. The remaining copies at the close of the day are delivered to the government officers in charge, who transmits one copy to the administrator and forwards the other directly to the Commissioner.[90]

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[90] Regulation 3, art. 104.

As in the case of beverage distilled spirits, the licensing extends to dealers and users. No permit is required to purchase, sell, or use completely denatured alcohol, except that all persons dealing in, storing, or using eleven barrels or drums within a period of thirty days must keep a record of receipts, uses, and shipments, so that government officers may trace all supplies received and disposed of. The regulations contain the following provisions relating to the labeling and advertising:[91]

Every package of completely denatured alcohol containing less than five wine gallons, sold or offered for sale by denaturers or dealers, must have affixed thereto a label on which must be printed, in plain, legible letters (red on white), the words, "Completely denatured alcohol," and, in addition, on the same label, there shall be printed in large letters, in red ink, under the skull and bones symbol, the word "Poison," together with the following statement: "Completely denatured alcohol is a violent poison. It can not be applied externally to human or animal tissues without serious injurious results. It can not be taken internally without inducing blindness and general physical decay, ultimately resulting in death." The word "pure" qualifying denatured alcohol will not be permitted to appear on any label. The name and address of the dealer may be printed on this label, but no other extraneous matter will be permitted thereon without the express authority of the commissioner.

It is a violation of section 17 of Title II of the national prohibition act to advertise by means of signs, posters, etc., in or about places of business that "alcohol" is for sale, without any qualifying words such as "denatured" or "completely denatured."

Inasmuch as such illegal practices menace the health and lives of persons who might be misled into believing that the alcohol is pure, administrators should warn and instruct all field officers under their direction to warn proprietors of garages, paint shops, and hardware stores, and other retail dealers in denatured alcohol generally guilty of such practices to immediately discontinue the same, and that any one failing to do so will be reported to the proper United States attorney for prosecution.

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[91] Regulations 3, art. 106.

All dealers in specially denatured alcohol and all manufacturers using it must obtain a permit and file bond. Comparatively little specially denatured alcohol is handled by dealers, as most of the users obtain their supplies directly from the denaturing plants. On June 30, 1928, there were only ninety-five dealers holding permits, and their total sales during the fiscal year 1928 amounted to about seven million gallons, or approximately 10 per cent of the quantity used.

Dealers in specially denatured alcohol must enter all receipts and deliveries daily. This record must be signed and sworn to by a duly authorized person and be open at all times to inspection by government officers and must be made in triplicate, one copy of which is retained by the dealer and bound as a permanent record. The dealer must forward on or before the fifth day of the succeeding month, one copy of such report to the administrator and the other copy directly to the Commissioner.

Memorandum slips covering each delivery or shipment must also be made out by the dealer at the time of making the delivery or shipment. These memorandum slips must be prepared by the dealer in duplicate where the consignee and consignor are located in the same administrator's district and in triplicate where located in different administrators' districts. At the close of the day such dealer must forward one copy of each slip prepared to the administrator of the district in which the dealer is located, one copy to the administrator of the district in which the consignee is located, if in another district, and the other copy directly to the Commissioner. In cases where a prohibition agent or representative is regularly stationed on the premises of the bonded dealer, the dealers must prepare an additional copy of the memorandum slip to be submitted to the agent on duty at the premises at the time of or prior to making the shipment or delivery covered thereby.[92]

The licensing of users of specially denatured alcohol is attended with many safeguards. Inquiry is made regarding the moral character of the applicant and whether he is proceeding in good faith in a lawful business enterprise. If he has no technical training he must submit details regarding the training and experience of the chemist or technical man to be employed. The premises are inspected to determine whether they are suitable for the purpose and are reasonably secure against theft.

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[92] Regulations 3, art. 111.

If toilet articles or various liquids, such as deodorants or sprays, are to be manufactured, there should be on hand equipment in the nature of raw materials, manufacturing apparatus, and packages for finished product of a value not less than five thousand dollars, and the applicant must submit a detailed inventory of all raw materials, such as oils and chemicals, of all manufacturing apparatus, such as tanks, pumps, filters, and filling machines, and of all packages on hand in which the finished product is to be sold.

Formulas and samples of all preparations in which specially denatured alcohol is to be used must be approved by the Commissioner, with the exception of a few well known products recognized by the United States Pharmacopoeia and National Formulary.[93]

Each manufacturer using specially denatured alcohol must keep a record, in triplicate, covering his transaction for each month. Such form must be signed by a duly authorized person and must show all alcohol on hand, received, used, or recovered, the name by classes of the article or articles manufactured, and the quantity and formula of specially denatured alcohol used. One copy is retained by the manufacturer as a permanent record and is open to inspection by the administrator or his agents during the usual business hours. The remaining two copies, one of which must be sworn to, must be forwarded by the manufacturer to the administrator of the district. Failure to keep or file this report promptly as above provided may result in issuance of citation for the revocation of the manufacturer's permit.

The monthly report from the manufacturer is examined in the office of the administrator in order to see that all alcohol shown by shippers' memorandum slips has been accounted for by the manufacturer. Upon completion of the examination the administrator retains the sworn copy of the report for filing in his office and forwards the remaining copy to the Commissioner.

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[93] Regulations 3, art. 112.

Persons holding permits to use specially denatured alcohol in excess of one hundred wine gallons per quarter must keep a permanent record showing the following data:

Amount of each formula of denatured alcohol received, the date and hour of receipt if delivered by truck, and the serial numbers of the packages
Amount of denatured alcohol of each formula on hand at all times
Names of products in which each formula of denatured alcohol is used
Number of gallons, or amount otherwise expressed, of each separate product manufactured, together with the names and addresses of persons to whom such products are sold and delivered.

Such records must be kept complete and up to date, and must be open to inspection by government officers at all times during regular business hours. No particular form of record is prescribed, but the data must be ascertainable from the records and invoices kept by the manufacturer.

In many industries an appreciable portion of the specially denatured alcohol is recovered, the total recoveries in the fiscal year amounting to more than a third of the quantity originally used. All recovered denatured alcohol must be accounted for the same as if it had been purchased. If the denaturant is removed the production of the resultant pure alcohol is under the same control by government officers as other distilled spirits.

Owing to the regional concentration of industry 77 per cent of the users of specially denatured alcohol in the fiscal year 1928 were in fourteen states, but these concerns accounted for 97 per cent of the quantity used. The remaining 3 per cent, or approximately two million wine gallons, were used by 1019 licensees scattered in the remaining thirty-four states, Alaska, Hawaii, and the District of Columbia. The distribution of users among the important states is as follows:[94]

Distribution of Users of Specially Denatured Industrial Alcohol, Fiscal Year 1928

State	Number of users	Specially denatured alcohol used in manufacture	Specially denatured alcohol recovered after use
		Wine gallons	*Wine gallons*
Massachusetts	309	5,431,301.96	2,562,617.50
Connecticut	101	1,331,982.28	411,134.94
New York	980	8,806,822.30	776,359.45
New Jersey	255	18,463,978.28	9,607,257.13
Pennsylvania	323	2,788,864.69	78,824.54
Maryland	103	9,496,887.45	33,947.11
Virginia	48	3,611,680.58	2,514,859.00
West Virginia	16	6,003,525.88	5,699,628.00
Ohio	252	907,961.14	73,739.79
Indiana	105	1,909,996.78	1,497,093.60
Illinois	418	3,508,466.89	243,155.56
Michigan	155	2,646,442.52	723,567.42
Missouri	133	2,962,018.80	1,166,079.71
California	230	2,491,040.53	1,050,953.61
	3,428	70,360,970.08	26,439,217.36
Other states	1,019	2,346,433.08	47,977.59
Total	4,447	72,707,403.16	26,487,194.95

Notwithstanding the precautions thrown around the manufacture and distribution, the alcohol industry has been a prolific source of unlawful diversion. This diversion occurs in various ways. As denaturing plants are operated independent of the distillery, there is an opportunity for diversion of pure alcohol during the movement from the distillery to the denaturing plant. After the denatured product is in the hands of the manufacturer he may divert it to a manipulator who treats the product in order to produce a liquid more or less resembling alcohol. This is then mixed with illegal or smuggled whisky, water, and various flavoring and coloring matter so that it passes for whisky.

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[94] Commissioner of Prohibition. Annual Report, 1928, p. 45.

In 1924 the present Commissioner of Prohibition, then Chief of the Technical Division of the Bureau of Internal Revenue, made the following statement regarding the amount of diversion:[95]

> Now as to the diversion of alcohol. There were produced last year [1923] approximately 63,000,000 wine gallons of alcohol. Approximately 10,000,000 proof gallons were tax paid and distributed as pure alcohol to permittees through Federal prohibition directors. This quantity goes into the general prescription uses of drug stores, internal medicines, and flavoring extracts. It is distributed by a procedure similar to that adopted for potable liquor, such as medicinal whisky, and a comparison of the last three years' withdrawals of tax-paid alcohol indicate the probability of only a moderate diversion. I would estimate approximately 500,000 gallons diversion from this source.
>
> Approximately 1,000,000 proof gallons were distributed tax free as pure alcohol to universities, hospitals, states, and the United States. These permits were issued through the collectors of internal revenue and there is no evidence of any noticeable diversion. This is unquestionably due to the character of the permittees who receive the alcohol.
>
> Twenty-seven million wine gallons were distributed as completely denatured alcohol. No permit or bond is required for the handling and using of completely denatured alcohol. Some of this has been manipulated into the lowest grade of illicit drinks. Some of it has been released in a pure state although it is alleged to have been denatured. The bulk of it, however, has been legitimately distributed and used in many industries, chiefly paint, varnish, and as automobile radiator antifreeze solution. It is estimated that approximately 1,000,000 gallons of this production has got on the market in the form of illicit beverages.
>
> Thirty million wine gallons has been distributed as specially denatured alcohol under a permit and bond system administered through collectors of internal revenue. These special formulas, seventy-two in number, are adapted for the uses of

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[95] To provide for a Bureau of Prohibition in the Treasury Department; hearing before the Committee on the Judiciary, House of Representatives, Sixty-eighth Congress, first session, on H. R. 6645, p. 32 *et seq.*

hundred of industries and the products made therefrom cover the entire industrial field. Between 8,000,000 and 9,000,000 wine gallons of this production have been distributed to the perfumery, cosmetic and toilet article trade. There has been a large legitimate increase in these trades since the war, as shown by statistics of the Department of Commerce. It is in these particular formulas, however, that the greatest diversion of specially denatured alcohol occurs, although we have found that other and older formulas for specially denatured alcohol have been the subject of manipulations. From the very nature of the products in which these alcohols are to be used they are required to be free from denaturants of offensive odor. They, therefore, offer the most inviting field for the manipulator and illicit distiller. It is estimated that between three and four million gallons of these formulas have been diverted to illicit purposes.

* * * *

The estimates of diversions from each class of alcohols distributed are had from general knowledge and familiarity with the particular trades to which these products go, observation of the general conditions obtaining in those trades and specific information on the various permittees' activities, gained from the files of the unit.

The character of the samples examined in the unit's laboratories throughout the country, which are under my direction, also indicate the probable sources from which seized illicit liquors are obtained, inasmuch as it is practically impossible to so manipulate denatured alcohol of any formula, complete or special, so that residual quantities of denaturants cannot be detected by an analytical chemist. Our observation, based upon the analyses of seized liquors of commercial alcohol origin, excluding moonshine liquors and those believed to be smuggled, is that they are manufactured from pure alcohol, completely denatured alcohol, or specially denatured alcohol in somewhat the proportions I have indicated above.

It must be appreciated that these figures can only be estimates as exact data cannot be obtained, and the committee will be able to judge their value by considering the methods and agencies through which this information is obtained.

A diversion of this quantity of alcohol—that is, between five and six million wine gallons—is a matter of serious concern,

> for in terms of whisky it means something like 45,000,000 quarts.[96]
>
> A violator naturally seeks the means by which the easiest access may be had to alcohol. It is natural that he would seek to obtain material for illicit-liquor production that was free of tax rather than tax paid. Procedures, that is, the obtaining of permits and procuring of alcohol, pure and denatured, under the permits that are commercially practicable and on which the very existence of these great industries depend are obviously open to the criminal as well as the honest man. A permit system that cannot be abused by a criminal would be impossible of operation under commercial conditions.
>
> Practically all permittees who make a primary business of diverting alcohol for manipulation and conversion into illicit liquor have a showing of legitimacy. They are numbered in many trades, they sell below cost, and carry on trade piracy, but outwardly they have a showing of legitimacy. . . .

In 1926, the same officer made the following analysis of diversion in 1925:[97]

> There was produced last year [1925] a total of 87,500,000 gallons; 82,000,000 gallons were denatured and 5,500,000 were released in a pure state. A part of this pure alcohol, approximately 4,500,000 gallons, was used by manufacturing druggists, retail druggists, flavoring extract and proprietary medicine manufacturers. It is the alcohol that goes into medicinal, food, and flavoring preparations for internal use. The other 1,000,000 gallons of pure alcohol went to hospitals, colleges, research laboratories, state, county, and city institutions, and the United States Government. The probable diversion in this "bracket" of pure alcohol is, for the purpose of the present discussion, negligible. In any event, it could not be over a few hundred thousand gallons.
>
> The total denatured alcohol production of 82,000,000 gallons is subdivided into 47,000,000 gallons completely denatured alcohol and a little less than 35,000,000 gallons specially denatured alcohol.

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[96] Six million gallons are equivalent to only 24,000,000 quarts, but through mixture with other material the larger figure is obtained.

[97] The National Prohibition Law; hearings before the subcommittee of the Committee on the Judiciary, United States Senate, Sixty-ninth Congress, first session, p. 1311 *et seq.*

The production of completely denatured alcohol is subdivided into seven (7) formulas,[98] of which four (4) are of sufficient volume to be given consideration. Formulas Nos. 1 and 2 total 1,500,000 gallons. There are no reports of misuse of these two formulas. Formula No. 5 totals 36,000,000 gallons. This is the formula chiefly used for antifreeze and general industrial purposes. There is evidence of some recent manipulations of No. 5, but it is only very recent and in scattered sections. It seems to be the impression that formula No. 5 is not desirable from the illicit operator's standpoint. However, there has been probably some diversion of this formula and a liberal estimate would be that 1,000,000 gallons of No. 5, or alleged No. 5, found its way into illegal whisky. Formula No. 6, of which 8,700,000 gallons were recorded, is the only one concerning which diversion is substantially apparent. It is quite significant that the so-called independent denaturing plants, as a rule, allege that they manufacture No. 6 rather than No. 5, whereas the old established distilling firms make very little No. 6 in comparison to their total production.

A substantial amount of this No. 6, or alleged No. 6, has been diverted, and the diversion has occurred principally in New York and Philadelphia. No. 6 was first authorized in 1920 on account of the excessive high price of wood alcohol at that time, and the first two years' consumption, which was 5,000,000 gallons each year, may be assumed to be normal for the reason that manipulation of completely denatured alcohol was not reported prior to a year or a year and a half ago. No. 6 has a substantial industrial use on account of the fact that it contained no wood alcohol and costs two cents less per gallon than No. 5. The difference between 5,000,000 and 8,700,000 is not readily accounted for, except as probable diversion, and the experience in New York and Philadelphia in denaturing plant surveillance coupled with the actual detection of a number of large manipulating plants over the last eight months' period and chemical analysis of seized liquors confirm this presumption. Due to this condition, formula No. 6 was revoked as of February 1, 1926. A liberal estimate would be that 4,000,000 gallons of No. 6 were diverted to beverage uses. This plus the 1,000,000 gallons before mentioned indicates a probable diversion of 5,000,000 gallons of the total completely denatured production of 46,000,000. Surveillance results in New York City, which brought about a decrease at the rate of three to three and one-half million gallons per annum, come well within this figure, although it is unsafe to make annual estimates except on the basis of annual figures, as seasonable changes create distortion and frequently prove misleading when drawing conclusions.

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[98] Only two formulas were authorized in 1929.

The 35,000,000 gallon production of specially denatured alcohol is subdivided into sixty-six special formulas covering every alcohol-using industry, of which there are many hundreds. Of these formulas 21,000,000 gallons are of the kind and character not readily susceptible of manipulation and concerning which practically no reports have been made of their actual illegal manipulations. Within this class of formulas, for example, is formula No. 1, which covers the solvent field, particularly the paint, varnish, and shellac industries, and in which there was a consumption of 7,165,000 gallons. It is interesting to note that there has been 82 per cent increase since 1921 in this particular formula and no report, within the writer's knowledge, has been submitted which indicates any diversion of this formula. Take another example, formula No. 2-B, of which there were 6,700,000 gallons produced last year. This formula has increased 250 per cent since 1921, and the chief reason therefor is the phenomenal increase in the nitro-cellulose or pyroxylin lacquer consumption. It is generally known that the so-called cotton lacquers are rapidly becoming the leading finish for automobiles, metals, etc. Within this formula also is the smokeless powder production, artificial ivory and artificial leather. Formulas Nos. 13-A and 32, which are the "ether" formulas, figure largely in the production of artificial silk. Their volume has increased over 200 per cent since 1921. In other words, this class of formulas, which totals over 21,000,000 gallons, concerns industries which have not the slightest relation either in their process or their products to the illicit liquor business. The firms using them are of the highest type and their standing and integrity cannot be questioned.

We will now pass to the formulas of specially denatured alcohol which we know have been connected with the illegal diversion.

Formula No. 4, known as the "tobacco" formula, has been manipulated principally around Philadelphia, and while the pre-prohibition consumption of No. 4, which is one of the oldest formulas, was between eight or nine hundred thousand gallons, it exceeded 1,400,000 last year. The difference may be assumed to have been diverted. Formulas 36, 39-A, 39-B, 39-C, and 40, cover the entire field of perfumes, lotions, hair tonics, miscellaneous toilet preparations and rubbing alcohols. The rubbing alcohol authorization was discontinued January 1, 1926, and no reports have been received showing any abuse of the new formula. The total volume of these so-called distillable or odorless formulas was 14,000,000 gallons. Within this "bracket" occurs practically all of the diversion and redistilling troubles throughout the United States, with the exception of the instances before enumerated. While it is a fact that these formulas are used by the known legitimate perfume manufacturers and toilet goods houses generally, of whose standing there is no question, it is apparent from all reports of the agents, which arise from the surveillance of denaturing plants and permittees, together with the chemical analysis of seized liquors, that a substantial part of these formulas has been diverted. Just what percentage is rather difficult to state, having in mind the legitimate use known, it is a liberal estimate to say about 8,000,000 gallons have been diverted. This figure is rather high, but, I believe, makes sufficient allowance for the known legitimate use of these formulas.

I believe, therefore, a reasonable opinion, based upon the foregoing considerations, would fix the possible diversion at between 10,000,000 and 15,000,000 gallons, the estimates herein being between 13,000,000 and 14,000,000. This is a big figure even though pre-prohibition consumption of spirits was at the rate of 160,000,000 proof gallons per annum, but it is well not to underestimate the magnitude of the present problem. When it is pointed out that 1,000,000 gallons means 125 carloads, or, putting it another way, 16,000,000 pints, of whisky, and that the probable diversion of the past year centers in New York, Philadelphia, and other industrial centers, it can be readily seen that the estimates herein given account, to a large degree, for the conditions with respect to violations noted in these large cities. The picture is not only not hopeless, however, but rather serves to fix the metes and bounds of the task. The system of local permit administration, plus surveillance and blockade methods just now being inaugurated through the special alcohol squad, can and will, in my judgment, reduce this factor of violation to petty larceny. I do not think of thousands of men being employed nor millions of dollars expended, but of a trained force of three, or even five hundred well-paid men, who can proceed against questionable operations by blockade methods. It does not involve filling the court docket and can injure no honest man. There is no greater material punishment that can be inflicted on industrial alcohol violators than continuous surveillance. The forcing of a crooked plant with little real business to actually denature, or a crooked manufacturer to actually make up toilet waters, or other finished products, is punishment that none of them will stand indefinitely, as the experience of the past conclusively demonstrates. Furthermore, the minute it becomes apparent that questionable economic operations are going to be under a 24-hour surveillance, if necessary, it will be found that the interest in securing permits will not be great. The way to stop questionable economic permit applications is not to try to prove an applicant guilty before he does anything but to bring about in his mind a knowledge that he will not be able to get away with anything if he secures a permit.

While the foregoing memorandum outlines possible diversion of alcohol from lawful uses, it should be borne in mind that manipulation and redistillation losses have not been taken into account, neither has the quantity of spirits seized been considered. Obviously, both of these elements operate to reduce the actual quantity of diverted alcohol that is consumed in illegal liquor.

In 1928 the Commissioner testified that industrial alcohol presented "only a minor enforcement problem. It has to be watched all the time, but the leakages are comparatively small."[99]

In February, 1929, the Commissioner made the following statement:[1]

The analyses of seized liquors throughout the United States, which last year numbered 123,000 samples, show a cross section of illicit liquor in the country. In the Chicago and Great Lakes territory less than 2 per cent of these samples show legal origin; that is, they indicate diversion from permitted alcohol or other liquors. Throughout the South the percentage is negligible, and even in the Northeastern section it is much less than 10 per cent. The country-wide average is less than 5 per cent. Therefore, when I say that the permissive system does not furnish the major problem in enforcement, I am of the opinion that these figures substantiate the statement.

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[99] House Hearing on Treasury Department appropriation bill, 1930. Seventieth Congress, second session, p. 408.

[1] Address before the Department of Economics, Sociology, and Government, Yale University, Cong. Record, daily edition, February 23, 1929, p. 4268.

A number of deaths in New York City from wood alcohol poisoning has resulted in charges that the denatured alcohol manufactured under approved formulas is the base for poison liquor, and there has been a demand in some quarters that the formulas be changed. The Commissioner of Prohibition has emphatically denied that the use of denatured alcohol results in wood alcohol poisoning, his statement being as follows:[2]

> . . . The term "poison alcohol" as applied to industrial alcohol is not only unwarranted, but there can be no good reason based on fact for the application of such a term. The manipulating of denatured alcohol and the production of a partially cleaned alcohol for illicit beverage purposes will not produce any so-called "poison liquor." Dr. Reid Hunt, of the Harvard Medical School, who was formerly connected with the United States Public Health Service, has found that symptoms of wood alcohol or methanol poisoning are not apparent until its concentration in a mixture with ordinary ethyl or grain alcohol has reached about 35 per cent. The maximum content of wood alcohol in any formula authorized for industrial purposes is 10 per cent. Before a person could ingest a fatal dose or a fatal quantity of wood alcohol from a 10 per cent mixture, he would have had to take into his system several times the fatal quantity of ordinary ethyl or grain alcohol. A number of deaths recently occurred in New York City from the drinking of wood alcohol. There was not the slightest evidence adduced at any point so far as I am aware that these deaths were caused by industrial alcohol, either in the form in which it was denatured under Government supervision or after it had been manipulated by criminals. The United States grand jury in the southern district of New York inquired into this matter and made a presentment to the court which is self-explanatory and shows

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[2] House Hearings on Treasury Department appropriation bill, 1930. Seventieth Congress, second session, p. 410.

conclusively that these deaths as far as the facts are known were due to straight wood alcohol or methanol poisoning. I am attaching a copy of this presentment.[3]

The sale and distribution of wood alcohol or methanol does not come within the purview of the national prohibition act or any other Federal statute of which I am aware. It is a matter coming wholly within the jurisdiction of the States under their poison or pharmacy laws. Any move to involve the industrial alcohol system of the United States by attempting to associate it with deaths from the drinking of wood alcohol is not only unwarranted and has no basis in fact, but would be destructive to the progress of industry in this country.

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[3] "In the matter of an investigation by the United States Grand Jury for the Southern District of New York into possible violations of Federal Laws in connection with the recent deaths by poisoning.

Presentment: This Grand Jury respectfully presents and reports to the Hon. Francis A. Winslow, United States District Judge sitting in the Criminal Term of the United States District Court for the Southern District of New York, that in the matter of this investigation the Grand Jury has taken the testimony of Dr. Gettler, Chief City toxicologist, and his assistant, Mr. Schwartz, and Mr. Joe. W. Quillen, Chief United States Chemist, who testified from examinations made of the brains of twenty-four persons who have died within the last several days and from analysis of a sample of liquid submitted to them by the police and taken from the person of one of the deceased. These witnesses are leading toxicologists and physiological chemists. Their testimony is and these witnesses agree that in their opinion the deaths in every instance were caused directly by the effects of drinking methanol (wood alcohol). They testified also that they made tests to ascertain whether there were present any of the denaturants which occur in denatured ethyl alcohol as distinct from wood alcohol and found none. They also testified that in certain of the twenty-four cases they did not find any trace at all of ethyl alcohol and that such traces of ethyl alcohol as were found in the remainder of the twenty-four cases might have been a by-product of the distillation of wood alcohol.

"Inasmuch as wood alcohol is not a beverage but a recognized poison (analogous to prussic acid or iodine) and its use and sale is not regulated by any of the federal laws, we respectfully report that in these particular instances the subject matter is for the consideration of the State authorities rather than the federal authorities. The State laws regulate the sale of poisons and provide for punishment for their improper use and sale."

"In the matter of an investigation by the United States Grand Jury for the Southern District of New York into possible violations of Federal Laws in connection with the recent deaths by poisoning.

"This Grand Jury for the Southern District of New York respectfully presents and reports to the Hon. Francis A. Winslow, U. S. District Judge, that in the course of its investigation into the recent deaths by poisoning, it has found that the death of Florence Kelly, 334 Pearl Street, New York City, was caused by the drinking of straight wood alcohol, and that the evidence developed by the United States Attorney with the coöperation of the city police shows with clearness the source from which the wood alcohol was obtained and the identity of those responsible for the sale. We respectfully recommend that inasmuch as this evidence shows violations of State Laws, and indicates the offense of homicide, that the United States Attorney be requested to report the evidence to the state authorities of the County of New York for prosecution." (Copy furnished by Bureau of Prohibition; not printed in hearing cited.)

Control over Narcotics. The first legislation looking to the control of narcotics was the act of February 9, 1909 (35 Stat. L. 614), which prohibited the importation of opium or its derivatives except for medicinal purposes, the control being placed in the Secretary of the Treasury. This act was amended and entirely superseded by the act of January 17, 1914 (38 Stat. L., 275). Under this amended act the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce were authorized to publish regulations for the control of both imports and exports.

Sections 1, 2, 5, and 6 were further amended by the act of May 26, 1922 (42 Stat. L., 596), which created the Federal Narcotics Control Board, to be composed of the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce. This act extended the inhibition to all narcotic drugs, but provided that crude opium and coca leaves might be imported under license for legitimate medicinal uses. The Board was given authority to make regulations governing importation and exportation. The act of June 7, 1924 (43 Stat. L., 657), further amended the previous legislation by prohibiting the importation of crude opium for the manufacture of heroin.

Under this legislation the Federal Narcotics Control Board definitely determines in advance the amount of opium and coca leaves that may be imported. In this work it is assisted by an advisory committee consisting of representatives of the three secretaries and the Deputy Commissioner of the Bureau of Prohibition in charge of narcotic enforcement representing the Secretary of the Treasury. This committee has no legal powers, and functions entirely to facilitate the work of the Board. By order of the Board the Deputy Commissioner of Prohibition has authority to conduct correspondence on behalf of the Board, and to sign permits under authority of the Board.

The quantity of opium and coca leaves that may be imported is rationed among the several manufacturers, and an import license is required for each shipment. The Deputy Commissioner in charge of narcotic enforcement issues the import licenses as the representative of the Federal Narcotics Control Board. It is the duty of the officers of the Customs Service to prevent unlicensed importations.[4]

All federal domestic legislation relating to narcotics has been based primarily on the taxing power. The early acts were entirely tax measures, with no particular attempt at regulation beyond the collection of the tax. The first act was that of October 1, 1890 (26 Stat. L., 620), which imposed an internal tax of $10 a pound on all opium manufactured in the United States for smoking purposes, and limited the manufacture to citizens of the United States. An act of January 17, 1914 (38 Stat. L., 275), increased the tax to $300 per pound. Both these acts gave the Commissioner of Internal Revenue power to inspect the books of manufacturers in order that the entire amount of tax might be collected.

Existing domestic federal control is based on the act of December 17, 1914 (38 Stat. L., 785), generally known as the Harrison Act. Section 1 was amended by the Revenue Act of 1918 (40 Stat. L., 1130). The provisions of Section 1 as amended were reënacted without change by the revenue acts of 1921 and 1924 (42 Stat. L., 298; 43 Stat. L., 328). The section was again amended by the Revenue Act of 1926 (44 Stat. L., 96). Section 6 was amended by the Revenue Act of 1918 (40 Stat. L., 1132). The provisions of Section 6 as amended were reënacted without change by the Revenue Acts of 1921,

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[4] This duty of the customs officers is not peculiar to narcotic enforcement. A variety of commodities may be imported only after permit issued by other departments, and importation of some commodities is forbidden. For statement regarding extent of this control see Institute for Government Research, The Customs Service, pp. 72-77, Monograph 33.

1924, and 1926 (42 Stat. L., 300; 43 Stat. L., 330; 44 Stat. L. 98). These amendments pertained almost entirely to the taxes imposed.

The act of 1914 placed the administration of the act in the hands of the Commissioner of Internal Revenue, the work being placed under the Prohibition Unit when that branch was organized in 1919. All powers and duties of the Commissioner of Internal Revenue in regard to narcotics were transferred to the Secretary of the Treasury by the act of March 3, 1927 (44 Stat. L., 1382), and the Secretary was authorized to delegate such powers to the Commissioner of Prohibition or to other officers of the Bureau of Prohibition. This power was delegated by the Secretary's order of April 1, 1927, when the Bureau of Prohibition came into existence (Prohibition T. D. No. 1).

While the purpose of the act is to control the traffic in narcotics, regulation is accomplished entirely through license taxes on persons prescribing or dealing in these drugs, and by means of specific taxes on the commodities.[5]

The present law imposes an annual license tax of $24 on importers, manufacturers, producers, or compounders; $12 on wholesale dealers, $6 on retail dealers, $1 on physicians and other practitioners, and $1 on manufacturers of and dealers in preparations containing a specified minimum amount of the drugs enumerated. In addition there is a stamp tax of one cent per ounce, except on preparations containing less than a specified quantity.

Every person, firm, or corporation which can lawfully deal in narcotic drugs and so does is required to make application for registration with the collector of the district in which the applicant does business. When the law went into effect, persons making application for registration were required to furnish an inventory of their stock on hand on forms prepared for this purpose. Dealers filling prescriptions are required to keep them in a separate file for two years in such manner as to be readily accessible to inspection by investigating officers.

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[5] Although on its face a revenue measure, the Harrison Law has been assumed by the Supreme Court to have a moral end in view, reaching this end within the limits of such a measure. U. S. v. Jin Fuey Moy, 241 U. S. 394.

Orders may be filled only by registered importers, manufacturers, and wholesale dealers, and these persons make reports of all transactions in their monthly returns. The entire sales activity, including importation and exportation as well as domestic commerce being centered in these two classes, it is possible to secure the following direct results from an audit and examination of their returns:

1. Accountability for all narcotic drugs imported.
2. Accountability for all products manufactured.
3. Accountability for all drugs entering the commerce of this country.
4. Complete record of all purchases and sales including importations and exportations.
5. Conformity of all transactions and payments of tax to the exact requirements of the law.
6 Opportunity for apprehending purchasers of larger quantities of narcotic drugs than are ordinarily necessary in the legitimate pursuance of their business or profession.

The commodity tax is collected entirely by means of internal revenue stamps affixed to the package. The absence of the stamp is *prima facie* evidence of violation of the law. The purchaser of untaxed goods may be prosecuted as well as the seller. Licenses are issued by the collectors of internal revenue, who also sell the stamps which must be affixed to package goods.

The number of licenses issued during the fiscal year 1928, and their main geographic distribution were as follows:[6]

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[6] Commissioner of Prohibition, Annual Report, 1928, p. 21.

Narcotic Drug Licenses Issued, Fiscal Year 1928

Importers, producers, manufacturers, and compounders	
New York	57
Pennsylvania	37
Maryland	12
Ohio	28
Illinois	17
Michigan	11
Missouri	22
California	12
	196
Other states	100
Total	296

Wholesale dealers	
New York	170
Pennsylvania	123
Ohio	110
Indiana	80
Illinois	100
Texas	88
California	105
	776
Other states	1,008
Total	1,784

Retail dealers	
Massachusetts	1,864
New York	6,399
New Jersey	1,756
Pennsylvania	3,874
Ohio	2,238
Indiana	1,040
Illinois	3,417
Michigan	1,948
Wisconsin	1,099
Missouri	1,960
Texas	2,861
California	3,361
	31,817
Other states	18,784
Total	50,601

Practitioners	
Massachusetts	6,515
New York	15,478
New Jersey	3,983
Pennsylvania	11,675
Tennessee	3,017
Kentucky	3,000
Ohio	8,431
Indiana	3,988
Illinois	10,503
Michigan	4,849
Wisconsin	3,006
Iowa	3,268
Missouri	5,529
Texas	6,453
California	8,621
	98,316
Other states	47,063
Total	145,379

Dealers in untaxed preparations	
Massachusetts	8,209
New York	13,803
New Jersey	5,469
Pennsylvania	7,492
Virginia	3,462
Kentucky	3,042
Ohio	5,954
Indiana	4,858
Illinois	7,354
Wisconsin	3,006
Iowa	4,372
Missouri	3,652
Kansas	3,004
Texas	3,983
California	10,689
	88,349
Other states	32,528
Total	120,877

Importers, manufacturers, and wholesale dealers must keep records and render monthly returns showing in detail all purchases, uses in manufacture, and disposition of finished products.[7] Detailed records must be kept by practitioners[8] and retail dealers.[9] Prescriptions may be issued only by a duly registered practitioner, and may be filled only by a duly registered dealer.[10]

Sales may be made only on receipt of an order on a blank supplied for that purpose by the Commissioner of Prohibition,[11] except that the special order form is not required for filling prescriptions for legitimate medical purposes.[12]

While the tax is collected by the Bureau of Internal Revenue, all the domestic enforcement work is done by the Bureau of Prohibition, the prevention of smuggling being the work of the Bureau of Customs. As a rule there are few violations by the legitimate registered licensees, the convictions in this class in the fiscal year 1928 numbering only 148 out of a total of 4738. Many of the violations by the licensees were technical offenses without intent to evade the law.

The violators are generally persons who sell the drugs surreptitiously, the source of supply being importations which are smuggled into the country. By reason of the small size of the packages the prevention of smuggling requires great vigilance. As a rule the smuggling of narcotics is entirely independent of the smuggling of alcoholic liquor. Narcotics are generally smuggled on the person, although occasionally they are concealed with other merchandise. Liquor is generally smuggled as such in bulk, either by trucks or small boats.

As a rule narcotic drugs may be obtained without difficulty in foreign countries. However arrangements have been made for

> . . . the direct exchange of evidence and information between the Federal Narcotic Unit and the corresponding departments

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[7] Regulation 5, art. 57.
[8] Regulation 5, art. 97.
[9] Regulation 5, art. 107.
[10] Regulation 5, arts. 83 and 84.
[11] Regulation 5, art. 63.
[12] Regulation 5, art. 64.

of a number of European governments with reference to persons engaged in the illicit traffic in narcotic drugs. These agreements are of far-reaching international importance and are entirely independent of the activities of the League of Nations with respect to this question.

The salient features of these agreements are as follows:

(1) The direct exchange, between the Treasury Department and the corresponding office in the foreign country, of information and evidence with reference to persons engaged in the illicit traffic. This includes such information as photographs, criminal records, finger prints, Bertillion measurements, description of the methods which the persons in question have been found to use, the places from which they have operated, the partners they have worked with, etc.

(2) The immediate direct forwarding of information by letter or cable as to the suspected movements of narcotic drugs, or of those involved in smuggling drugs, if such movements might concern the other country.[13]

The following nations have agreed to exchange information: France, Denmark, Great Britain, Germany, Belgium, Czechoslovakia, Italy, Spain, Netherlands, Japan, Free City of Danzig, Turkey, and Greece.[14]

The activities in the enforcement of the law are reflected by the following figures:[15]

Narcotic Enforcement Activities, Fiscal Year 1928

Violations reported		
Registered licensees		
Convicted	148	
Acquitted	3	
Charges dropped	1,215	
Compromised	1,182	
Pending at end of year	1,601	
		4,149

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[13] Secretary of the Treasury, Annual Report, 1928, pp. 85-86.

[14] The arrangements for exchange of information were effected by interchange of notes, the correspondence is given in a press release issued by the State Department, February 15, 1929.

[15] Commissioner of Prohibition, Annual Report, 1928, p. 29 *et seq.*

Narcotic Enforcement Activities, Fiscal Year 1928—Continued

Violations reported—*Continued*		
Unregistered dealers		
Convicted	4,577	
Acquitted	105	
Charges dropped	1,612	
Compromised	38	
Pending at end of year	3,088	
	——	9,420
Fines imposed		$184,213.99
Aggregate of sentences imposed—years	8,786	
Drugs and preparations seized (in ounces)		
Opium	21,824	
Morphine	2,893	
Heroin	964	
Cocaine	632	
Other	19	

On June 30, 1928, of the 7738 federal prisoners in the four federal penitentiaries for men and in the Federal Institution for Women, 2529, almost a third, were imprisoned for violation of the drug laws. The next largest distribution for crime groups was 1156 for violation of the National Prohibition Act and 1148 for transporting a stolen motor vehicle in interstate commerce.[16] These figures do not take account of 8658 federal prisoners confined in state and county institutions, such as penitentiaries, reformatories, and jails.[17]

[16] House Hearings on Department of Justice appropriation bill, 1930. Seventieth Congress, second session, pp. 134, 136.

[17] The act of January 19, 1929 (45 Stat. L., 1085), authorizes the establishment of two narcotic farms for the treatment of narcotic addicts who have been convicted of offenses against the United States. The control of the institution is placed in the hands of the Secretary of the Treasury, and its immediate management is under a new branch of the Public Health Service—the Narcotics Division.

Authorities who designate the place of confinement of federal prisoners are authorized to transfer them to one of the farms. An inmate of the farm is not entitled to parole unless he is certified as being no longer a narcotic addict.

It should be noted that these farms are for the treatment of all federal prisoners addicted to narcotics, and not merely those convicted under the narcotic laws. As a matter of fact, many of the persons convicted under the narcotic laws are addicts, and will be eligible for treatment after the institutions are established.

The number of prosecutions, convictions and cases pending at the end of each of the last seven fiscal years was as follows:[13]

Narcotic Cases Reported, Convictions, and Cases Pending, Fiscal Years 1922 to 1928

Fiscal year	Cases reported	Convictions	Cases pending at end of year
1922..................	6,701	3,131	4,974
1923..................	7,201	4,194	5,401
1924..................	7,301	4,242	5,333
1925..................	10,297	5,600	6,069
1926..................	10,342	5,120	5,885
1927..................	8,851	4,469	4,999
1928..................	8,653	4,738	4,743

Evidence against violators is obtained generally through a purchase of the drug. Prior to March 28, 1928, the law required the enforcement officer to make all purchases out of his own funds, reimbursement being made later by the government. As a result the arrest of large dealers often could not be effected because the dealer would not sell a small quantity and the enforcement officer did not have sufficient funds of his own to make the purchase. The act of March 28, 1928 (45 Stat. L., 374), provides that government funds may be advanced for such purposes.

This legislation relieved the situation. It did not entirely free the Bureau from embarrassment, because, although the greater part of the money was recovered, the Comptroller General had ruled that the amount recovered must be deposited to the credit of miscellaneous receipts and could not be returned to the credit of the appropriation. The appropriation act for the fiscal year 1930 provides that money used to purchase evidence and later recovered shall be deposited to the credit of the appropriation.

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[13] House Hearings on Treasury Department appropriation bill, 1930. Seventieth Congress, second session, p. 473.

Assessment of Taxes and Penalties. The payment of all taxes and penalties is still made to the Commissioner of Internal Revenue through the collectors of internal revenue in the several districts. As regards the legal permittees, it is the duty of field officers of the Bureau to ascertain whether the permittees have made proper returns and paid the occupational and commodity taxes and to report any omission to the collector of internal revenue through the proper administrative officer. As the majority of the permittees are familiar with the internal revenue laws and are reputable concerns, the enforcement of the tax provisions offers little difficulty with this class.

The taxable penalties prescribed by the several laws are civil ones, and recoveries are made by civil process. Such procedure is not peculiar to the prohibition laws. It was in effect for many years in the internal revenue laws, and has also been in force in other fields of federal regulation, notably the navigation laws administered by the Secretary of Commerce. The imposition of a civil penalty does not preclude appropriate criminal proceedings if the facts and circumstances warrant such action.

While the penalty tax is prescribed in the law, it is well recognized that the sum specified is the maximum one, as the Commissioner, with the approval of the Secretary of the Treasury, may compromise any civil cause if such action is taken before suit is brought. After suit is instituted, compromises may be made only with the approval of the Attorney General (41 Stat. L., 318).

Compromises are effected when the violation is purely technical, when the case is a doubtful one, or when the assets of the defendant are obviously not sufficient to pay the full tax.

Under Section 3251 of the Revised Statutes taxes imposed on any distillery become a lien on both the personal and real property. By Section 902 of the Revenue Act of 1926 (44 Stat. L., 105) the lien may be held to be extinguished under the following conditions: (1) If such land and buildings are no longer used for distillery purposes, (2) if there is no outstanding liability for taxes and penalties, and (3) if no litigation is pending. The determination that the lien is extinguished is made by the Commissioner of Prohibition.

Several of the internal revenue laws provide for forfeitures of property to the United States. Section 3461 of the Revised Statutes provides that the Secretary of the Treasury may remit forfeitures for certain specified reasons, and Section 709 of the Revenue Act of 1928 (45 Stat. L., 882), provides that all provisions of the customs laws applicable to the remission or mitigation of forfeitures by the Secretary of the Treasury shall also apply to forfeitures under the internal revenue laws. While the remission or mitigation is the legal act of the Secretary, the investigation of the circumstances and the recommendations are made under the direction of the Commissioner of Prohibition.

Under the original statutes all powers as regards assessment of taxes and penalties, effecting compromises, and discharging liens are conferred on the Commissioner of Internal Revenue. The act of March 3, 1927 (44 Stat. L., 1382), transferred to the Secretary of the Treasury all powers and duties relating to the enforcement of the prohibition and narcotic laws, and authorized him to delegate this authority to the Commissioner of Prohibition. This delegation was made in the Secretary's order of April 1, 1927 (Prohibition T. D. No. 1), as modified by the order of November 10, 1927 (Prohibition T. D. No. 17).

Taxes and Penalties under Liquor Laws. Under the National Prohibition Act all previous taxes on liquor are continued in force, regardless of whether it is legally or illegally manufactured, and in some cases an additional tax is assessed as a penalty (41 Stat. L., 317). In addition later revenue acts have also made provision for taxes. The taxes in force in January, 1929, were as follows:

Liquor Taxes in Force, January, 1929, and Collections During Fiscal Year 1928

Kind of tax	Rate	Yield, fiscal year 1928
Occupation taxes and penalties		
On all classes listed below except rectifiers		
Penalty for failure to make returns (45 Stat. L., 857)[a]	25 per cent of tax	[b]
Penalty for wilfully making false or fraudulent return (Sec. 3176 Rev. Stat., as amended February 26, 1926, 44 Stat. L., 112)	50 per cent of tax	[b]
For conducting business contrary to laws of any State, Territory or District (40 Stat. L., 1128; 44 Stat. L., 95)	$2,000.00	
Brewers		
Less than 500 barrels under Sec. 3244, Revised Statutes	50.00	0
Penalty under Sec. 35 of National Prohibition Act (41 Stat. L., 318)	1,050.00	[b]
500 barrels or more under Sec. 3244, Revised Stat.	100.00	$300.00
Penalty under Sec. 35 of National Prohibition Act. (41 Stat. L., 318)	1,100.00	[b]
Manufacturers of stills (Sec. 3244, Rev. Stat.)	50.00	709.20
Rectifiers		
Less than 500 barrels Sec. 3244, Rev. Stat. as amended March 1, 1879 (20 Stat. L., 333)	100.00	772.26
Penalty under Sec. 35 of National Prohibition Act (41 Stat. L., 318)	100.00	[b]
500 barrels or more Sec. 3244, Rev. Stat.	200.00	1,280.63
Penalty under Sec. 35 of National Prohibition Act (41 Stat. L., 318)	200.00	[b]
Retail dealers in malt liquor		
Sec. 3244, Rev. Stat.	20.00	0
Penalty under Sec. 35 of National Prohibition Act (41 Stat. L., 318)	520.00	[b]
Retail dealers in distilled spirits		
Sec. 3244, Rev. Stat.	25.00	462,472.93
Penalty under Sec. 35 of National Prohibition Act (41 Stat. L., 318)	525.00	[b]

Liquor Taxes in Force, January, 1929, and Collections During Fiscal Year 1928—Continued

Kind of tax	Rate	Yield, fiscal year 1928
Occupation Taxes and Penalties—*Continued*		
Wholesale dealers in malt liquors		
Sec. 3244, Rev. Stat.	50.00	0
Penalty under Sec. 35 of National Prohibition Act (41 Stat. L., 318)	1,050.00	[b]
Wholesale dealers in distilled spirits		
Sec. 3244, Rev. Stat.	100.00	38,445.68
Penalty under Sec. 35 of National Prohibition Act (41 Stat. L., 318)	1,100.00	[b]
Commodity taxes		
Each still or worm (Sec. 3244, Rev. Stat.)	20.00	665.00
Distilled spirits diverted to beverage use, per proof gallon or per wine gallon when below proof (44 Stat. L., 104)	6.40	984.79
Distilled spirits for nonbeverage use, except denatured alcohol (44 Stat. L., 104)	1.10	13,609,062.86
Malt liquors, such as beer, lager beer, ale, porter, and other similar fermented liquor containing one-half of 1 per cent or more of alcohol, sold or removed for consumption or sale, per barrel of 31 gallons (40 Stat. L., 1109)	6.00	0
Grape brandy or wine spirits used in fortifying sweet wine, per proof gallon or per wine gallon when below proof (40 Stat. L., 1110, as amended by 45 Stat. L., 868)[c]	[d].10	201,177.43
All products of rectification, per proof gallon or per wine gallon when below proof (40 Stat. L., 1108)	.30	12,548.53
Still wines, including vermouth and all artificial or imitation wines or compounds sold as still wine, per wine gallon (40 Stat. L., 1110, as amended by 45 Stat. L., 868)[e]		
Containing not more than 14 per cent of absolute alcohol by volume	[f].04	893,408.41
Containing more than 14 and not exceeding 21 per cent of absolute alcohol by volume	[g].10	
Containing more than 21 and not exceeding 24 per cent of absolute alcohol by volume	[h].25	
Containing more than 24 per cent absolute alcohol shall be classed as distilled spirits		

Liquor Taxes in Force, January, 1929, and Collections During Fiscal Year 1928—Continued

Kind of tax	Rate	Yield, fiscal year 1928
Commodity taxes—*Continued*		
Champagne or sparkling wine, per half pint or fraction (40 Stat. L., 1110)	.12	0
Artificially carbonated wine, per half pint or fraction (40 Stat. L., 1110)	.06	0
Liqueurs, cordials or similar compounds, when containing sweet wine fortified with grape brandy, per half pint or fraction (40 Stat. L., 1110)	.06	0
Spirits bottled in bond (29 Stat. L., 626)	.10 per case	72,569.15
Spirits withdrawn for export (R. S. Sec. 3330, as amended by 21 Stat. L., 148; 30 Stat. L., 843)	5 and 10 cents per package	190.70
Miscellaneous	......	13,198.88
Collections under prohibition laws	......	925,252.22
Total	......	16,233,048.67

[a] This is a general provision relating to all internal revenue taxes, and not specifically to intoxicating liquor.
[b] Separate figures not available.
[c] Tax is abated or refunded if such wines are sold or removed for the manufacture of vinegar, or the production of dealcoholized wines containing less than one-half of one per cent of alcohol by volume.
[d] During fiscal year 1928 tax was 60 cents per gallon.
[e] May be removed tax free for the manufacture of vinegar or for the production of dealcoholized wines; tax does not apply to dealcoholized wine containing less than one-half of one per cent of alcohol by volume.
[f] During the fiscal year 1928, the tax was 16 cents.
[g] During fiscal year 1928, tax was 40 cents.
[h] During fiscal year 1928, tax was $1.00.

In the case of illegal manufacture or sale, both the regular tax and the penalty tax apply.

The law is explicit as regards the power of the Commissioner to assess the penalty, but "the taxpayer must be given fair opportunity for hearing—this is essential to due process of law."[19] Since June 30, 1926, the procedure of assessing these items has been abandoned. The Commissioner through his subordinates determines, by a review of the evidence of violations, the amount of penalty taxes and penalties incurred, makes demand for payment, and upon failure of payment or compromise settlement certifies such matters to United States attorneys with request for suits to be brought.

[19] Lipke v. Lederer, 259 U. S. 562.

Taxes and Penalties under Narcotic Laws. No penalty taxes are specifically prescribed in the narcotic laws, but Section 1 of the act of December 17, 1914, as amended by the Revenue Act of 1926 (44 Stat. L., 96), provides that "all provisions of existing law relating to special taxes, as far as necessary, are hereby extended and made applicable to this section." This makes all these taxes subject to penalty tax of 25 per cent for failure to make a return (45 Stat. L., 857) and of 50 per cent for wilfully making a false or fraudulent return (Rev. Stat., Sec. 3176, as amended by 44 Stat. L., 112).

The taxes imposed on narcotics and the yield in the fiscal year 1928 are shown in the following table:

Narcotic Taxes in Force, January, 1929, and Taxes Collected During Fiscal Year 1928

Kind of tax	Rate	Yield, fiscal year 1928
Importers, manufacturers, producers, and compounders (44 Stat. L., 96)	$24.00	$7,150.17
Dealers (44 Stat. L., 96)		
Wholesale	12.00	20,992.49
Retail	6.00	233,006.45
Physicians and other practitioners (44 Stat. L., 96)	1.00	165,538.51
Dealers in untaxed narcotic preparations (44 Stat. L., 98)	1.00	17,538.24
Opium, coca leaves and derivatives (44 Stat. L., 97), per ounce	.01	113,191.54
Opium order blanks (38 Stat. L., 787), per hundred	1.00	8,765.91
Penalty on foregoing		
For failure to make return (45 Stat. L., 857)	25 per cent of tax	[a]
For wilfully making false or fraudulent return (Sec. 3176, Rev. Stat. as amended by 44 Stat. L., 112)	50 per cent of tax	[a]
Miscellaneous collections relating to narcotics	......	80,156.26
Accepted offers in compromise (38 Stat. L., 789)	......	46,047.84

[a] Figures not available.

Chemical Researches. Chemical research is carried as an ancillary mainly to the administration of the prohibition laws, particularly with reference to the control of denatured alcohol and the authorization of the use of intoxicating liquor in foods and medicinal preparations.

The work in connection with denatured alcohol has been carried on since the first authorization of tax free denatured alcohol in 1906, but the activities in relation to the use of intoxicating liquor in food and pharmaceutical preparations has been undertaken only since the passage of the Prohibition Amendment.

Investigations are carried on continually in connection with the formulas for denatured alcohol, with the aim both of safeguarding the alcohol from manipulation and making the product more adaptable to the arts and industries. The formulas for denaturation are as a rule worked out in the Bureau laboratory, but the industries develop some formulas, which are tested and passed upon by the chemists of the Bureau.

In the pharmaceutical field the formulas are used for the manufacture of specialized products generally ready for the consumer, and consequently are submitted by the manufacturer for approval. The tests in such cases are to determine whether the product is a legitimate medicinal and non-beverage preparation.

Besides authorizing the formulas, analyses are made from time to time as samples of the product are collected by the inspection force, in order to determine whether the manufacturer is complying with the terms of his permit. Seized liquors are also analyzed both to determine whether they were sold in violation of law and to ascertain the extent to which formulas for denatured alcohol are subject to manipulation for the purpose of removing the denaturant.

In addition to the laboratory work the chemists are called upon by the administrative officers to assist in investigatory and inspection work where technical knowledge is desirable.

The chemical work in connection with narcotic enforcement is comparatively small. The major technical questions arising in the narcotic work are in connection with the medicinal value of preparations, and such questions are generally referred to the Public Health Service for determination.

The chemists are frequently called upon to give testimony in civil proceedings before the district administrators looking to the revocation of permits and in criminal prosecutions. During the fiscal year 1928 the time spent in attending such proceedings amounted to 2911 days.

The chemical work also includes analyses of butter, oleomargarine, cheese, and flour for the Bureau of Internal Revenue in connection with the laws imposing taxes on adulterated butter, renovated butter, oleomargarine, mixed flour, and filled cheese. This work occupies a comparatively small part of the time of the force of the Bureau, although the laboratory work was started in connection with these products.

The chemical work is carried on at a central laboratory in Washington and at eighteen branch laboratories throughout the country. The samples examined in the several laboratories in the fiscal year 1928 were as follows:

Samples Examined in Laboratories, Fiscal Year 1928

Field laboratories	
Providence	2,391
New York	28,473
Buffalo	11,683
Pittsburgh	5,168
Philadelphia	7,493
Charlotte	1,949
Columbus	2,146
Chicago	8,837
Omaha	2,292
St. Louis	6,379
Fort Worth	2,267
Seattle	522
San Francisco	5,295
Los Angeles	2,652
New Orleans	4,153
Minneapolis	4,244
Newark	3,443
Baltimore	4,610
Total	103,997

Washington laboratory	
Butter	43
Oleomargarine, fats, and oils	2,386
Distilled spirits	4,628
Narcotics	435
Medicines	2,501
Denatured alcohol	8,791
Fermented beverages	1,004
Total	19,788
Total, all laboratories	123,785
Increase over previous year	9,627

Collection of Statistics. By reason of its close control over the production of alcoholic liquor and industrial alcohol and its licensing of the traffic in narcotics, the Bureau of Prohibition is the primary sources for all statistics on the legal manufacture and movement of these commodities. Before the creation of the Bureau these statistics had been published for many years by the Bureau of Internal Revenue, which continues to issue detailed figures on the amount of tax collected.

The statistics on intoxicating liquors include figures on materials used as well as on the quantity of products. They are contained in the annual report of the Commissioner, and also in more detail in the pamphlet entitled "Statistics concerning intoxicating liquors." The narcotic statistics are published only in the annual report.

Detailed figures dealing with the work of the Bureau are published also in the annual report.

Obviously no figures on the illegal manufacture and traffic are available except so far as they are reflected in part by the figures in the annual report on seizures.

CHAPTER III

ORGANIZATION

All of the powers regarding prohibition and narcotic enforcement are vested by law in the Secretary of the Treasury, who is expressly authorized to delegate them to the Commissioner of Prohibition or to other officers of the Bureau of Prohibition (44 Stat. L., 1381).

Office of Commissioner of Prohibition. The office of Commissioner of Prohibition is expressly created by the act of March 3, 1927 (44 Stat. L., 1381), but that act does not directly confer any powers on that officer. The authority of the Commissioner results from the delegation of power by the Secretary of the Treasury expressly authorized by that act.

The Commissioner is the officer in immediate charge of all activities and duties exercised by the Bureau. He has a wide discretion, and the control by the Secretary of the Treasury is in general the same as that exercised over subordinate bureaus by other heads of executive departments.

The only subordinate officers of the Bureau specifically provided by law are an Assistant Commissioner, two deputy commissioners, and a Chief Clerk. The duties of these officers are not defined by law, and the Commissioner may assign to them such powers and subordinate units as he sees fit. The organization of the entire service is left to the discretion of the Commissioner.

The Assistant Commissioner acts as the head of the Bureau during the absence of the Commissioner. He is in direct charge of the Special Agents and Field Enforcement Division and the Law Division. He also has such general duties as may be assigned to him by the Commissioner. One of the Deputy Commissioners has supervision over the Administrative Division and the Technical Division, while the other Deputy Commissioner is in charge of narcotic enforcement. The units reporting directly to the Commissioner are the following:

- Washington Office
  - Special Inspection Division
  - Field Supervisors and Field Office Inspectors Division
  - Division of Foreign Control
- In the Field
  - Offices of Twenty-Seven Prohibition Administrators

As regards the field service the immediate control exercised by the Commissioner extends only to questions of general policy. Routine matters and reports from the administrators are referred to the several divisions in the Washington office for administrative action or for such review as will enable the Commissioner to act.

Special Inspection Division. The Special Inspection Division undertakes the investigation of all charges of a serious nature against employees of the Bureau, both in Washington and in the field. It reports to the the Commissioner regarding the charges, and if it considers the charges are sustained it makes recommendations regarding disciplinary action or criminal prosecution. The work of this division extends to employees engaged in both prohibition and narcotic enforcement.

Field Supervisors and Field Office Inspectors Division. Supervision over methods of operation by the district administrators is exercised by the Field Supervisors and Field Office Inspectors Division. The personnel of this Division assembles the field staff of the several districts and gives lectures on investigations, reports, searches, seizures, evidence, court procedure, and other subjects connected with the enforcement and permissive work in connection with the administration of the National Prohibition Act. The Division also has charge of the classification of all field employees into the salary grades provided by the Classification Act.

Division of Foreign Control. The duties of the Division of Foreign Control are as follows:[1]

> (1) to assist in the administration of existing treaties and arrangements with foreign countries for the suppression of smuggling, and to obtain, through the Department of State and the foreign representatives of this Government, the coöperation of foreign countries in the suppression of smuggling; (2) to obtain information concerning ships and persons engaged in the smuggling, or the attempted smuggling, of liquors or narcotics into the United States, and to distribute such information to the interested agencies of the Treasury Department; (3) to prevent shipments of alcoholic liquors or narcotics intended to be illegally introduced into the United States from leaving foreign ports, and generally to restrict, at foreign bases, operations of ships and persons engaged in smuggling operations into the United States.

The Division of Foreign Control consists of a small force in Washington, investigators in the United States, and agents at nine posts in foreign countries.

Prohibition Districts. The general field administration of matters relating to alcoholic liquor and industrial alcohol is in charge of twenty-seven district administrators, each in charge of a district. Each prohibition district includes one or more United States judicial districts. As there is a United States attorney, under the direction of the Department of Justice, in charge of prosecution in each judicial district, the boundaries of prohibition districts have been fixed so that as a rule each United States attorney will have to deal with only one administrator. The boundaries of judicial districts are fixed by law, but the limits of prohibition districts are determined by the Commissioner of Prohibition. The several prohibition districts and the area included in them in March, 1929, are given below; unless otherwise indicated the judicial district comprises the entire state.

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[1] Commissioner of Prohibition, Annual Report, 1928, p. 7.

PROHIBITION ADMINISTRATIVE DISTRICTS

1. Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut
2. Eastern Judicial District of New York, embracing the counties of Kings, Nassau, Queens, Richmond, and Suffolk

   The portion of the Southern Judicial District of New York in the counties of Bronx, New York, and Westchester.
3. Western Judicial District of New York, embracing the counties of Allegheny, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming, and Yates

   The portion of the Northern Judicial District of New York in the counties of Cayuga, Oswego, Tioga, and Tompkins
4. New Jersey
5. Eastern Judicial District of Pennsylvania, embracing the counties of Berks, Bucks, Chester, Delaware, Lancaster, Lehigh, Montgomery, Northampton, Philadelphia, and Schuylkill

   Middle Judicial District of Pennsylvania, embracing the counties of Adams, Bradford, Cameron, Carbon, Center, Clinton, Columbia, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lackawanna, Lebanon, Luzerne, Lycoming, Mifflin, Monroe, Montour, Northumberland, Perry, Pike, Potter, Snyder, Sullivan, Susquehanna, Tioga, Union, Wayne, Wyoming, and York
6. Western Judicial District of Pennsylvania, embracing the counties of Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Clarion, Clearfield, Crawford, Elk, Erie, Fayette, Forest, Greene, Indiana, Jefferson, Lawrence, McKean, Mercer, Somerset, Venango, Warren, Washington, and Westmoreland

   West Virginia (two judicial districts)
7. Delaware, Maryland, and the District of Columbia
8. Virginia (two judicial districts), North Carolina (three judicial districts), and South Carolina (two judicial districts)
9. Georgia (three judicial districts)

   Southern Judicial District of Florida, embracing the counties of Baker, Bradford, Brevard, Broward, Charlotte, Citrus, Clay, Columbia, Dade, De Soto, Duval, Flagler, Glades, Hamilton, Hardee, Hendry, Hernando, Highlands, Hillsboro, Indian River, Lake, Lee, Madison, Manatee, Marion, Martin, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, Sarasota, Seminole, St. Johns, St. Lucie, Sumter, Suwanee, Union, and Volusia
10. Northern Judicial District of Florida, embracing the counties of Alachua, Bay, Calhoun, Dixie, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy,

Liberty, Okaloosa, Santa Rosa, Taylor, Wakulla, Walton, and Washington
Alabama (three judicial districts)
Mississippi (two judicial districts)
Louisiana (two judicial districts)

11. Kentucky (two judicial districts)
    Tennessee (three judicial districts)
12. Ohio (two judicial districts) and Indiana (two judicial districts)
13. Iowa (two judicial districts), Illinois (three judicial districts), and Eastern Judicial District of Wisconsin, embracing the counties of Brown, Calumet, Dodge, Door, Florence, Fond du Lac, Forest, Green Lake, Kenosha, Kewanee, Langlade, Manitowoc, Marinette, Marquette, Milwaukee, Oconto, Outagamie, Ozaukee, Racine, Shawano, Sheboygan, Walworth, Washington, Waukesha, Waupaca, Waushara, and Winnebago
14. Minnesota, North Dakota, South Dakota, and the Western Judicial District of Wisconsin, embracing the counties of Adams, Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Columbia, Crawford, Dane, Dunn, Douglas, Eau Claire, Grant, Green, Iowa, Iron, Jackson, Jefferson, Juneau, La Crosse, Lafayette, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Portage, Price, Richland, Rock, Rusk, St. Croix, Sauk, Sawyer, Taylor, Trempealeau, Vernon, Vilas, Washburn, and Wood
15. Oklahoma (three judicial districts), Kansas, and Nebraska
16. Arkansas (two judicial districts) and Missouri (two judicial districts)
17. Texas (four judicial districts)
18. Colorado, Wyoming, and New Mexico
19. Montana and Idaho
20. Washington (two judicial districts), Oregon, and Alaska (four judicial districts)
21. Northern Judicial District of California, embracing the counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, Eldorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, Santa Clara, Santa Cruz, San Francisco, San Joaquin, San Mateo, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tuolumne, Yolo, and Yuba
22. Southern Judicial District of California, embracing the counties of Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Mariposa, Merced, Orange, Riverside, Santa Barbara, San Bernardino, San Diego, San Luis Obispo, Tulare, and Ventura
23. Hawaii
24. Porto Rico

25. Michigan (two judicial districts)
26. The portion of the Northern Judicial District of New York in the counties of Albany, Broome, Chenango, Clinton, Cortland, Delaware, Essex, Franklin, Fulton, Hamilton, Herkimer, Jefferson, Lewis, Madison, Montgomery, Oneida, Onondaga, Otsego, Rensselaer, St. Lawrence, Saratoga, Schenectady, Schoharie, Warren, and Washington

    The portion of the Southern Judicial District of New York in the counties of Ulster, Columbia, Dutchess, Greene, Orange, Putnam, Rockland, and Sullivan
27. Utah, Nevada, and Arizona

The larger offices are organized as follows:

1. Office of Administrator
    1. Immediate office of Administrator
        1. Personnel Records and Disbursements Section
        2. Space, Equipment, and Supplies Section
        3. Mails and Files Section
        4. Information Section
        5. Statistical Reports Section
        6. Messenger Section
    2. Office of Attorney
        1. Immediate office of Attorney
        2. Revocation Section
        3. Enforcement Section
        4. Equity Suits Section
        5. Taxes and Penalties Section
        6. Stenographers' Section

    Office of Assistant Administrator in Charge of Permissive Work
        1. Immediate office of Assistant Administrator
        2. Basic Permits Section
        3. Withdrawals Section
        4. Inspection Section
        5. Bonded Accounts Section
            1. Office of warehouse agents
            2. Offices of storekeeper-gaugers
            3. Offices of warehouse watchmen
        6. Returns Section
    4. Office of Assistant Administrator in Charge of Enforcement Work
        1. Immediate office of Assistant Administrator
        2. General Enforcement Section
        3. Major Investigations Section
        4. Case Reports Section
        5. Offices of Deputy Administrators
    5. Laboratory

The administrator is the head of the district, and is held responsible for all work carried on in his district. He acts largely on his own initiative in the disposition of the force working under him, and receives only general instructions on matters of policy from the Commissioner. He has full authority to grant and revoke permits, except that the amount of denatured alcohol that may be manufactured by each permittee is determined by the Commissioner and that formulas for the use of pure alcohol in the manufacture of non-beverage products must be approved by the Technical Division of the Washington office.

Each prohibition administrator reports directly to the Commissioner, and receives instructions from him only, although the reports are referred to and instructions formulated in the several divisions of the Bureau dealing with the particular subject matter.

The administrative sections, which handle matters relating to all other units of the division, are under the immediate direction of the administrators and are as follows:

Personnel Records and Disbursements Section
Space, Equipment, and Supplies Section
Mails and Files Section
Information Section
Statistical Reports Section
Messenger Section

All matters relating to appointments, promotion, separations, and disbursements are handled in the Personnel Records and Disbursements Section. Requisitions for supplies, the custody of supplies, and the arrangement for office or storage space constitute the work of the Space, Equipment, and Supplies Section. The Mails and Files Section opens the mails, distributes it to the several units or officers, and looks after the filing. The Information Section comprises the telephone operators and the general information desk. The Statistical Reports Section prepares all statistical tables required by the Washington office.

The Assistant Administrator in charge of permissive work has control over all activities dealing with the legal manufacture and movement of intoxicating liquor and industrial alcohol. His office is ordinarily divided into the following sections:

Basic Permits Section
Withdrawals Section
Inspection Section
Bonded Accounts Section
Returns Section

The Basic Permits Section has charge of the issuance and revocations of all basic permits authorizing persons to engage in business. It reviews all applications for permits and passes on the sufficiency of the bond. The issuance of permits for purchase and shipment constitutes the work of the Withdrawals Section. The inspection of premises before the granting and during the life of the permit and the examination of the books of permittees are the duties of the Inspection Section.

The Bonded Accounts Section verifies and checks the detailed reports made by manufacturers of intoxicating liquor and industrial alcohol and by the owners of bonded warehouses. It also supervises the work of storekeeper-gaugers on duty at the plants manufacturing liquor and industrial alcohol and of the warehouse agents at bonded warehouses. Storekeeper-gaugers are located at plants where industrial alcohol is legally manufactured. They have the custody of all keys required to safeguard alcohol produced, stored, and denatured, and supervise all operations in industrial alcohol plants, denaturing plants, and bonded warehouses. They check all apparatus and pipe lines to see that they conform to blue prints approved by the Bureau and that no changes are made without the government's permission. When stationed at distilleries, they see that correct reports are made of the runs, take meter readings, compare them with those of the plants, and make reports pertaining to yeasting operations. Warehouse watchmen are located at bonded warehouses where no manufacturing is carried on. They patrol the plant, have the keys to the storerooms, and supervise the removal of the products.

The Returns Section verifies the reports made by wholesale and retail dealers and by manufacturers licensed to use alcohol or other liquor in manufacturing. It also supervises the audit of the prescriptions filled by retail druggists. All permissive work is supervised directly from the division headquarters.

The Assistant Administrator in charge of enforcement work has control of all activities looking to the suppression of the illegal traffic in liquor and alcohol. His office is divided into the following sections:

General Enforcement Section
Major Investigations Section
Case Reports Section

The General Enforcement Section does the police work in connection with ordinary raids and seizures. Its work is generally confined to cases where an overt act is apparent to the agent. Cases with wider ramifications, such as conspiracies and major diversions, are dealt with by the major investigations section, provided such cases are entirely within the administrative district. If the case has such ramifications that it extends beyond district lines, it is generally handled by the Special Investigation Division, which operates under the direct orders of the Commissioner. The Case Reports Section reviews the reports submitted by agents and investigators.

The immediate direction of enforcement work at headquarters is ordinarily limited to the activities in the judicial district in which headquarters are located. In other judicial districts within the prohibition district the enforcement work is under the immediate direction of a deputy administrator, who also has a force of agents and investigators. This enables the officer in immediate control of the enforcement work to keep in close touch with the United States Attorney who is to prosecute the case.

The Office of the Attorney advises the administrator and the assistant administrators on all legal questions that may arise in connection with the work. While the United States Attorney is the designated representative of all officers of the United States in cases reaching the courts the attorneys in the office of the Administrator assist in the preparation of cases. In civil cases they advise the administrator regarding his powers, in order to prevent his action being successfully attacked in the courts.

The Office of the Attorney is ordinarily divided into the following sections:

Revocation Section
Enforcement Section
Equity Suits Section
Taxes and Penalties Section
Stenographic Pool Section

The Revocation Section has charge of the formal proceedings looking to the revocation of permits. The Enforcement Section advises the enforcement officers regarding their duties and powers, and reviews the evidence in order to ascertain whether a good case has been made out. The Equity Suits Section looks after the proceedings in equity cases, which fall into two classes: (1) Injunction suits to restrain use of premises where liquor is manufactured or sold illegally,[2] and (2) review of the administrator's action in revoking or refusing to grant permits.[3] The Taxes and Penalties Section has charge of the assessment of taxes and civil penalties for noncompliance with law, and prepares the proper reports for the Collectors of Internal Revenue, to whom taxes and penalties are paid.

The Laboratories make tests of liquor obtained in raids and of products of permittees in order to determine whether they are in accordance with the authorized formula. The laboratory is generally located at the district headquarters, but occasionally it is at another point. As regards technical methods it is under the direction of the Technical Section of the Bureau, but in all other matters it is under the control of the District Administrator.

Both the major and the minor units vary somewhat according to the character of the work in the several districts. The organization of the sections also varies. In districts where there is little permissive work, the sections as here outlined are occasionally combined. With the exception of work under the Assistant Administrator in charge of enforcement work, the sections as a rule are small.

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[2] See p. 81.
[3] See p. 85.

Office of Assistant Commissioner. The Assistant Commissioner is in immediate charge of the Special Agents and Field Enforcement Division and the Law Division. He acts as Commissioner in the absence of that officer, and has such other special duties as the Commissioner may assign from time to time.

Special Agents and Field Enforcement Division. Major conspiracies involving violation of the National Prohibition Act and cases whose ramifications extend into more than one Prohibition Administrative District are investigated by the Special Agents and Field Enforcement Division.

In addition to the immediate office of the Chief of Division, which exercises general supervision, the units of this division in Washington are the Plant Control Section and the Case Review and Criminal Records Section. In the field there are ten division offices which make inspections and procure evidence in major and interdistrict cases.

The Office of the Chief of the Division is the medium for the interchange of information between the field forces and the Bureau Staff at Washington as well as between the Bureau and other agencies concerned with the enforcement of the law—namely, the Coast Guard, the Customs Service, and the Office of the Assistant Attorney General having charge of prosecutions of violation. It also functions as the adviser of the Commissioner in regard to enforcement conditions throughout the country.

The Plant Control Section consists of a small mobile force of agents specially trained for the inspection of licensed breweries, alcohol plants, denaturing plants, and wineries. These inspectors examine and audit the records of such plants so as to detect irregularities, intentional or otherwise, and shortages or overages of materials and products. They also secure samples, make analyses and tests by means of the ebulliometer and saccharometer of the mashes and products of the plants. The activities of these agents serve to keep the commissioner informed with respect to the operations of these plants and tend to act as a check against and standardize such inspection work as is carried on by the storekeeper-gaugers and others employed under the direction of the Administrator.

In order to facilitate the prosecution of offenders the Case Review and Criminal Records Section reviews all reports on violations received from District Administrators and the special agents. The cases are reviewed in order to call the attention of field officers to good and bad features of their work.

This unit also keeps finger prints and criminal records of all persons convicted of felonies under the National Prohibition Act. These records are transmitted as needed to officers concerned, particularly to the Department of Labor in cases which may involve the deportation of aliens.

The headquarters and the area covered by each of the ten field divisions are as follows:

EXTENT OF PROHIBITION FIELD DIVISIONS

Providence Division: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, and Northern and Western Judicial Districts[4] of New York

New York Division: Eastern and Southern Judicial Districts of New York, Eastern and Middle Judicial Districts of Pennsylvania, New Jersey, and Porto Rico

Washington Division: Western Judicial District of Pennsylvania, West Virginia, District of Columbia, Maryland, Virginia, Delaware, North Carolina, and South Carolina

Jacksonville Division: Louisiana, Mississippi, Alabama, Georgia, and Florida

Detroit Division: Kentucky, Tennessee, Ohio, Indiana, and Michigan

Chicago Division: Illinois, Iowa, Wisconsin, Minnesota, North Dakota, and South Dakota

Kansas City Division: Nebraska, Kansas, Oklahoma, Texas, Missouri, Arkansas, and Colorado east of the Rocky Mountains

Pacific Coast Division:

- San Francisco Division: Northern Judicial District of California, Nevada, Utah, Colorado west of the Rocky Mountains, and Hawaii
- Los Angeles Division: Southern Judicial District of California, Arizona, New Mexico
- Seattle Division: Washington, Oregon, Idaho, Wyoming, Montana, and Alaska

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[4] For counties in judicial districts, see p. 157.

The agent in charge of the San Francisco office acts as the coördinating representative of the Treasury Department in all matters relating to the activities of the Bureau, the Coast Guard, and the Customs Service on the Pacific Coast in connection with both prohibition and narcotic enforcement. He is also authorized to act as the representative of the United States on the Pacific Coast in connection with the enforcement of the conventions made with foreign countries looking to the suppression of smuggling.

Law Division. While the prosecution of offenders is the duty of the United States Attorneys there arise many legal questions which require the attention of a legal staff. All such work is done in the Law Division, which deals with both prohibition and narcotic enforcement. The Law Division also has advisory supervision over the attorneys in the offices of the Prohibition Administrators. It standardizes their work, supplies them with authoritative court decisions, and sees that they conform to the rules of legal ethics.

In addition to the immediate office of the Chief Counsel, who is the head of the division, there are five sections, as follows:

Opinions and Legal Correspondence
Compromise
Tax Liability
Bond
Narcotic Legal

The Narcotic Legal Section is concerned solely with matters arising under the narcotic laws; the other sections deal entirely with cases resulting from the prohibition laws and acts imposing taxes on liquor or dealers in liquor.

The Opinions and Legal Correspondence Section drafts opinions on questions of law, formulates regulations and instructions, prepares pleadings, make certifications from the records of the Bureau, conducts legal correspondence, and makes recommendations on all applications for pardon or parole of persons convicted of violation of the National Prohibition Act. Applications for pardon or parole are made initially to the Attorney General, who refers them to the Bureau for recommendation.

Pardons are granted by the President, but paroles are granted by the Attorney General on the recommendation of a board of parole.

The Compromise Section has charge of the compromise and adjustment of civil liability in prohibition cases and of civil and criminal liability in internal revenue cases arising out of the laws imposing taxes on liquor or dealers in liquor.

The Tax Liability Section examines the reports of violations of the law imposing taxes on liquor, and prepares schedules of taxes and penalties due under the statutes applicable.

The Bond Section passes on bonds filed to insure compliance with the terms of permits.

The work of the Narcotic Legal Section is entirely in the field of narcotic enforcement and parallels in general that of the four sections dealing with prohibition matters. It reviews reports of violations with a view to securing more effective enforcement, makes recommendations on applications for pardon or parole, certifies taxes for assessment, makes recommendations regarding claims for abatement and refund of taxes erroneously assessed or paid, and recommends action on offers in compromise.

Office of Deputy Commissioner. One Deputy Commissioner has charge of general administration and of all permissive work in prohibition enforcement directed from the Washington office, except the special features which are handled by the divisions reporting directly to the Commissioner. The work under this Deputy Commissioner is carried on in the Administrative Division and the Technical Division.

Administrative Division. The Administrative Division is in charge of the Chief Clerk, and has the usual administrative duties that are generally exercised by the Chief Clerk of a government office. In addition to the immediate office of the Chief Clerk it is divided into the following sections:

1. Accounts and Supplies
2. Personnel
3. Reports and Statistics
4. Mails and Files
5. Messenger

The Accounts and Supplies Section maintains appropriation and budget accounts, has charge of the storage and shipment of supplies and equipment, maintains property records, and distributes publications.

The section is divided into the following subsections:

1. Bookkeeping subsection
2. Audit subsection
3. Space, Supplies, and Equipment subsection

The Personnel Section has charge of all matters relating to appointments, separations, promotions, demotions, efficiency ratings, classification, and retirement. It keeps all personnel files, records and statistics, maintains time and leave reports, prepares payrolls for the force employed in Washington and for the entire narcotic force, and issues commissions, badges, identification cards, and travel orders.

The section is divided into subsections as follows:

1. Classification and Efficiency Ratings subsection
2. Personnel Changes subsection
3. Discipline, Retirement, and Compensation subsection
4. Time Records and Payrolls subsection
5. Issuance of Commissions and Badges subsection
6. Files subsection

The Reports and Statistics Section makes the examination and final audit of statistical reports from permittees authorized to use liquor in the manufacture of non-beverage preparations and from retail druggists. It also compiles and analyzes data on arrests and prosecutions, keeps a record of circumstances reported regarding enforcement officers killed and persons killed by agents, prepares statistical reports on employees of the Bureau removed for cause or prosecuted for illegal acts, and compiles special statistics whenever necessary. This section prepares the statistical data in the annual report and the publication entitled "Statistics concerning intoxicating liquors."

The Mails and Files Section opens incoming mail, routes it to the several divisions and sections, despatches outgoing mail, and maintains a general consolidated file of Bureau correspondence.

The section is divided into the following subordinate units:

1. Mail control subsection
2. General administrative, technical, and miscellaneous files subsection
3. Legal files subsection
4. Narcotic files subsection
5. Semi-active files subsection
6. Mail carriers' subsection

The Messenger's Section furnishes messenger service.

Technical Division. The Technical Division is the oldest unit in the Bureau, having been organized many years ago in the Bureau of Internal Revenue to facilitate the administration of regulatory taxes imposed on certain commodities. Its work was largely increased after the passage of the denatured alcohol act of 1906, and additional duties were assigned to it after the passage of the National Prohibition Act. It is organized into the following sections:

1. Laboratory
2. Bonded Spirits
3. Industrial Alcohol
4. Denatured Alcohol and Wine
5. Special Non-beverage

The Laboratory does all the general chemical work of the Bureau, including research work dealing with denaturation of alcohol, and the devising of new chemical methods for examining alcoholic products. It tests and passes on the potability of alcohol preparations manufactured in the country or imported. It supplies the district administrators with gauging equipment, locks, seals, and other technical devices required for proper supervision of the operations of industrial alcohol plants and denaturing establishments. The greater part of the routine work in the examination of samples is done at the branch laboratories, which are subordinate to the main laboratory only as regards technical methods. The Laboratory continues to do the necessary chemical work for the Bureau of Internal Revenue.

The Bonded Spirits Section audits the accounts and statistical reports of bonded warehouses, of plants producing alcohol, rectified spirits, cereal beverages, and brandy for the fortification of wine. It also passes on all claims for drawbacks and for the remission, abatement, and refund of taxes assessed on alcoholic liquor.

The Industrial Alcohol Section passes an all plans for the construction of industrial alcohol plants, denaturing establishments, and alcohol warehouses. It also has general supervision over methods and processes used in the manufacture of alcohol and its denaturation. It passes on applications for obtaining alcohol free of tax, and has charge of the registration of stills. It authorizes all formulas for specially denatured alcohol and passes on preparations to be manufactured with specially denatured alcohol.

The Denatured Alcohol and Wine Section audits the statistical reports submitted by denaturing plants, bonded wineries, and bonded wine storerooms. It also considers claims for remission, abatement and refund of taxes and for allowances for losses of alcohol.

The Special Non-Beverage Section passes on all formulas for the use of tax paid intoxicating liquor in the manufacture of foods and pharmaceutical preparations. It supervises the importation of foreign products containing alcohol, and issues permits to import, export, and transship intoxicating liquor.

Office of Deputy Commissioner in Charge of Narcotic Division. The Narcotic Division is another unit which antedates national prohibition as it was organized in the Bureau of Internal Revenue after the passage of the Harrison Narcotic Act in 1914. Its work is confined entirely to the field of narcotic enforcement, and it has all the work in this field, except that relating to foreign control, which is in the Foreign Control Division reporting directly to the Commissioner, that pertaining to legal phases, which is done by a section of the Law Division, and that relating to general administration, which is handled in the Administrative Division.

The Division is organized into two main units—the immediate office of the Deputy Commissioner and the Returns Section.

Immediate Office of Deputy Commissioner. In addition to supervising the work specifically committed to the Bureau by law the immediate office of the Deputy Commissioner is the administrative agency of the Federal Narcotics Control Board, consisting of the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce, which controls importation and exportation. The Deputy Commissioner conducts correspondence on behalf of the Board, and signs permits to import under its authority. He also represents the Secretary of the Treasury on the advisory board which submits recommendations for action by the Board.

Returns Section. The Returns Section is subdivided into three subsections: (1) Audit Subsection; (2) Records and Statistical Subsection, and (3) Abstract Subsection.

The Audit Subsection examines the monthly reports of importers, manufacturers, and wholesale dealers.

The Records and Statistics Subsection records the receipt of the monthly returns from importers, manufacturers, and wholesale dealers, and maintains a permanent record of these returns after they are audited by the Audit Section. From these return it compiles statistics for the annual report of the Commissioner and for the administrative use of the Federal Narcotics Control Board in connection with its regulation of imports of opium and coca leaves. It also examines and audits field agents' reports of violations and seizures.

The Abstract Subsection makes abstracts of sales reported by manufacturers and wholesale dealers, and transmits the abstract to the field officers for investigation. It also maintains a central index of all registrants under the narcotic laws.

Field Divisions. The enforcement work is under the immediate direction of fifteen field divisions whose heads have wide discretion. The several field divisions and the areas embraced in them are as follows:

EXTENT OF NARCOTIC FIELD DIVISIONS

Boston Division: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island

New York Division: New York State, and the fifth internal revenue collection district of New Jersey, embracing the counties of Bergen, Essex, Hudson, Hunterdon, Middlesex, Morris, Passaic, Somerset, Sussex, Union, and Warren

Philadelphia Division: Pennsylvania, Delaware, and the first internal revenue collection district of New Jersey, embracing the counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Monmouth, Ocean, and Salem

Baltimore Division: Maryland, Virginia, West Virginia, and the District of Columbia

Jacksonville Division: Georgia, North Carolina, South Carolina, and Florida, except the counties of Jackson, Calhoun, Bay, Washington, Holmes, Walton, Okaloosa, Santa Rosa, and Escambia in northwestern Florida

Nashville Division: Tennessee, Kentucky, Alabama, Mississippi, the Eastern Judicial District of Louisiana, embracing the parishes of Ascension, Assumption, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, LaFourche, Livingston, Orleans, Plaquemines, Pointe Coupee, St. Bernard, St. Charles, St. Helene, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Washington, West Baton Rouge, and West Feliciana; also the counties of Jackson, Calhoun, Bay, Holmes, Washington, Walton, Okaloosa, Santa Rosa, and Escambia in western Florida

Detroit Division: Ohio and Michigan

Chicago Division: Illinois, Wisconsin, and Indiana

Minneapolis Division: Minnesota, Iowa, Nebraska, North Dakota, and South Dakota

Kansas City Division: Missouri, Arkansas, Kansas, and Oklahoma.

San Antonio Division: Texas and Western Judicial District of Louisiana, embracing the parishes of Acadia, Allen, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, De Soto, East Carroll, Evangeline, Franklin, Grant, Jackson, Jeff Davis, Lafayette, La Salle, Lincoln, Madison, Morehouse, Natchitoches, Ouachita, Rapides, Red River, Richland, Sabine, St. Landry, St. Martin, Tensas, Union, Vermillion, Vernon, Webster, West Carroll, and Winn

Denver Division: Colorado, Utah, Wyoming, Arizona, and New Mexico

Seattle Division: Washington, Oregon, Idaho, Montana, and Alaska

San Francisco Division: California and Nevada

Hawaii Division: Territory of Hawaii

APPENDIX 1

OUTLINE OF ORGANIZATION

EXPLANATORY NOTE

The purpose of the Outlines of Organization in this series of Monographs is to show in detail the organization and personnel of the several services of the national government to which they relate. They have been prepared in accordance with the plan followed by the President's Commission on Economy and Efficiency in its outlines of the organization of the United States government.[1] They differ from those outlines, however, in that whereas the Commission's report showed only organization units, the presentation herein has been carried far enough to show the personnel embraced in each organization unit.

These outlines are of value not merely as an effective means of making known the organization of the several services. If kept revised to date, they constitute exceedingly important tools of administration. They permit the directing personnel to see at a glance the organization and personnel at their disposal. They establish definitely the line of administrative authority and enable each employee to know his place in the system. They furnish the essential basis of plans for determining costs by organization division and sub-division. They afford the data for a consideration of the problem of classifying and standardizing personnel and compensation. Collectively they make it possible to determine the number and location of organization units of any particular kind, such as, laboratories, libraries, blue-print rooms, or other plants, to what services attached and where located, or to determine what services are maintaining stations at any city or point in the United States. The Institute hopes that upon the completion of the present series, it will be able to prepare a complete classified statement of the technical and other facilities at the disposal of the government. The present monographs will then furnish the details regarding the organization, equipment, and work of the institution so listed and classified.

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[1] 62 Cong., H, doc. 458, 1912, 2 vols.

OUTLINE OF ORGANIZATION

BUREAU OF PROHIBITION
TREASURY DEPARTMENT
APRIL, 1929

Unit of Organization: *Classes of Employees*	*Number*	*Salary Rate*
1. Office of the Commissioner of Prohibition		
1. Immediate Office of the Commissioner		
Commissioner	1	$9,000
Secretary	1	2,600
Stenographer	1	1,800
2. Special Inspection Division		
Special Agent in Charge	1	3,800
Inspector	20	2,900 to 3,800
Clerk	1	2,000
Secretary	1	1,620
3. Field Supervisors and Field Office Inspectors Division		
Field Supervisors	5	5,600 to 6,400
Field Office Inspector	4	3,800 to 4,600
Associate Field Inspector	5	3,200 to 3,800
4. Division of Foreign Control		
1. Office of Chief of Division		
Officer in Charge	1	3,200
Secretary	1	1,860
Translator	1	1,800
Typist-Stenographer	1	1,560
Special Agent	1	4,200
2-11. Field Offices (10 posts)		
Special Employee	1	600
	1	720
	2	1,440
	2	1,800
	1	1,920
	3	2,400
	2	3,700

1. Office of the Commissioner—*Continued*		
4. Division of Foreign Control—*Continued*		
2-11. Field Offices—*Continued*		
Special Employee	1	3,800
	1	4,400
Investigator	2	3,000
5. First District, Headquarters Boston, Massachusetts[5]		
1. Immediate Office of Administrator		
Administrator	1	6,400
Secretary	1	2,300
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	3,700
Stenographer	1	1,740
Secretary	1	1,620
Stenographer-Typist	2	1,440
Clerk-Typist	1	1,260
2. Disbursing Section		
Chief of Section	1	2,700
Audit and Budget Clerk	1	2,100
Payroll Clerk	1	1,800
Clerk	1	1,620
Stenographer-Clerk	1	1,440
3. Mail and Files Section		
Chief of Section	1	1,800
Mail and File Clerk	3	1,440
4. Miscellaneous Section		
Supply Clerk	1	1,440
Telephone Operator	1	1,320
Under Clerk	1	1,380
3. Legal Division		
Legal Advisor	1	3,200
Assistant Attorney	1	3,100
Title Searcher	1	2,300
Assessment Clerk	1	2,100
Senior Stenographer	2	1,860 and 1,920
Stenographer	1	1,740
4. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	5,600
Secretary	1	1,800
2. Basic Permit Section		
Chief of Section	1	2,600
General Permit Clerk	1	2,000

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[1] The areas included in the several districts are given on p. 157.

1. Office of the Commissioner—*Continued*		
5. First District—*Continued*		
4. Permissive Division—*Continued*		
2. Basic Permit Section—*Continued*		
"H" Permit Clerk[2]	1	2,000
"I" Permit Clerk[3]	1	2,000
Special Denatured Alcohol and Taxfree Permit Clerk	1	2,000
Clerk-Stenographer	3	1,620
3. "J" Permit Section[4]		
Chief of Section	1	2,000
Permit Clerk	3	1,620 to 1,740
4. Withdrawal Section		
Chief of Section	1	2,600
Assistant Chief	1	1,800
Signing and Registration Clerk	1	1,740
Shipment Posting Clerk	1	1,620
Confirmation and Cancellation Clerk	1	1,620
Specially Denatured Alcohol and Taxfree Clerk	1	1,620
Stenographer	1	1,440
Stenographer-Typist	1	1,440
5. Returns Section		
Chief of Section	1	2,300
Specially Denatured Alcohol and Taxfree Alcohol Returns Clerk	1	1,740
Clerk	4	1,620 to 1,860
File Clerk	1	1,440
6. Inspection Section		
Chief of Section	1	3,200
Clerk-Stenographer	1	1,620
Stenographer	1	1,440
Inspector	18	2,600 to 3,100
7. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	3,200
Clerk	2	1,680 and 2,000

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[2] "H" permits are those to use intoxicating liquor for experimental purposes and in the manufacture of preparations unfit for beverage use.

[3] "I" permits are those issued to retail druggists to use and sell.

[4] "J" permits are those issued to physicians to prescribe and to physicians, dentists, and veterinarians to use.

1. Office of the Commissioner—*Continued*
   5. First District—*Continued*
      4. Permissive Division—*Continued*
         7. Bonded Accounts Section—*Continued*

2-7. Offices of Storekeeper-Gaugers[5] (6 establishments)		
Storekeeper-Gauger	12	2,000 to 2,500
5. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	5,000
Investigator	9	2,900
Agent	2	2,300 and 2,600
Secretary	1	1,800
Clerk	1	1,620
Stenographer-Clerk	2	1,440 and 1,620
Clerk-Typist	1	1,440
2. Office of Deputy Administrator, Auburn, Maine		
Deputy Administrator	1	4,400
Agent	14	2,300 to 2,800
Clerk-Stenographer	1	1,800
3. Office of Deputy Administrator, Concord, New Hampshire		
Deputy Administrator	1	3,200
Agent	8	2,300 to 2,800
Clerk-Stenographer	1	1,740
4. Office of Deputy Administrator, Hartford, Connecticut		
Deputy Administrator	1	3,500
Inspector	2	2,600
Agent	14	2,300
Clerk-Stenographer	1	1,920
Stenographer-Clerk	1	1,560
Stenographer-Typist	1	1,440
5. Office of Deputy Administrator, Providence, Rhode Island		
Acting Deputy Administrator	1	3,500

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[5] Storekeeper-gaugers are located at plants where industrial alcohol is legally manufactured. They have the custody of all keys required to safeguard alcohol produced, stored, and denatured, and supervise all operations in industrial alcohol plants, denaturing plants, and bonded warehouses. They check all apparatus and pipe lines to see that they conform to blue prints approved by the Bureau and that no changes are made without the government's permission. When stationed at distilleries, they see that correct reports are made of the runs, take meter readings, compare them with those of the plants, and make reports pertaining to yeasting operations.

1. Office of the Commissioner—*Continued*		
5. First District—*Continued*		
5. Enforcement Division—*Continued*		
5. Office of Deputy Administrator, Providence—*Continued*		
Inspector	2	2,600
Agent	7	2,300
Clerk-Stenographer	2	1,620 and 1,860
6. Office of Deputy Administrator, Rutland, Vermont		
Deputy Administrator	1	3,200
Agent	6	2,300
Clerk-Stenographer	1	1,860
7. Suboffice, Boston, Massachusetts		
Agent in Charge	1	3,200
Agent	14	2,300
Watchman	2	1,500
8. Suboffice, New Bedford, Massachusetts		
Agent in Charge	1	2,300
Agent	1	2,300
9. Suboffice, Springfield, Massachusetts		
Agent in Charge	1	2,300
Agent	2	2,300
Clerk-Stenographer	1	1,620
10. Suboffice, Worcester, Massachusetts		
Agent in Charge	1	2,300
Agent	2	2,300
6. Field Laboratory		
Chemist in Charge	1	3,800
Assistant Chemist	1	2,700
Clerk-Stenographer	1	1,620
6. Second District, Headquarters, New York, New York		
1. Immediate Office of Administrator		
Administrator	1	6,500
Secretary	1	2,300
2. Administrative Division		
1. Office of Chief Clerk		
Chief Clerk	1	3,500
Secretary	1	1,620
2. Disbursing Section		
Chief of Section	1	2,300
Payroll Clerk	1	1,800
Miscellaneous Voucher Clerk	1	1,800
Travel Voucher Clerk	2	1,620
Travel Audit Clerk	1	1,740

1. Office of the Commissioner—*Continued*
    6. Second District—*Continued*
        2. Administrative Division—*Continued*
            2. Disbursing Section—*Continued*

Time Clerk	1	1,500
Stenographer-Clerk	1	1,440

3. Mail and Files Section

Chief of Section	1	2,040
Mail and File Clerk	1	1,440
Mail Clerk	3	1,440 to 1,680
File Clerk	4	1,440 to 1,740
Messenger	2	1,080

4. Information Section

Clerk	1	2,000
Clerk	1	1,920
Telephone Operator	1	1,380

5. Reports and Statistics Section

Record Clerk	1	1,920

6. Space, Supply and Equipment Section

Chief of Section	1	1,800
Duplicating Machine Operator	1	1,560
Carpenter	1	1,800
Janitor	3	3.50 p.d.
Messenger	2	1,080 and 1,440

3. Legal Division

Legal Advisor	1	5,200
Attorney (Criminal Matters)	1	3,300
Attorney (Civil Matters)	2	3,600 and 4,000
Associate Attorney (Hearing Officer)	1	3,200
Associate Attorney	6	3,200
Assessment Clerk	1	1,800
Secretary	1	2,200
Senior Stenographer	5	1,800 to 1,920
Clerk	1	1,800
Clerk-Stenographer	4	1,620 to 1,920
Stenographer-Typist	2	1,500 and 1,560

4. Field Laboratory

Chemist in Charge	1	4,200
Associate Chemist	1	3,200
Assistant Chemist	4	2,500 to 2,700
Junior Chemist	3	2,000 to 2,100
Laboratory Aid	1	1,440
Secretary	1	1,800
Stenographer-Clerk	2	1,440
Laborer	1	1,380

1. Office of the Commissioner—*Continued*
    6. Second District—*Continued*
        5. Permissive Division
            1. Office of Chief of Division

Permissive Assistant	1	5,600
Assistant to Permissive Assistant	1	3,600
Secretary	2	1,620 and 2,200
Clerk	1	1,620

2. Basic Permit Section

Chief of Section	1	2,900
Assistant Chief	1	2,800
General Permit Clerk	1	2,200
"I" Permit Clerk	2	2,000
"H" Permit Clerk	1	2,000
Taxfree Permit Clerk	1	1,800
"J" Permit Clerk	1	1,800
Clerk-Stenographer	7	1,620 to 1,920

3. Withdrawal Section

Chief of Section	1	2,600
Assistant Chief	1	2,000
Authorization Clerk	2	1,800 and 1,920
Signing and Registration Clerk	2	1,620 and 1,800
Shipment Posting Clerk	1	1,620
Confirmation and Cancellation Clerk	2	1,620
Prescription Book Clerk	2	1,620 and 1,680
Specially Denatured Alcohol Withdrawal Clerk	1	1,620
Senior Typist	3	1,440 to 1,620
Stenographer-Typist	1	1,440
Clerk-Typist	1	1,260

4. Returns Section

Chief of Section	1	2,300
Prescription Audit Clerk	3	1,800 to 1,920
Clerk	6	1,620 to 1,800
Stenographer-Typist	1	1,440

5. Sacramental Wine Section

Chief of Section	1	2,000
Clerk-Stenographer	1	1,620

6. Bonded Accounts Section
    1. Office of Chief of Section

Chief of Section	1	3,700
Clerk	2	1,800 and 2,000
Inspector	1	2,700
Stenographer	1	1,560

1. Office of the Commissioner—*Continued*				
6. Second District—*Continued*				
5. Permissive Division—*Continued*				
6. Bonded Accounts Section—*Continued*				
2-13. Offices of Storekeeper-Gaugers and Warehouse Watchmen[6] (12 establishments)				
Storekeeper-Gauger	24	2,000	to	2,500
Warehouse Watchman	5	1,320	to	1,620
7. Inspection Section Title II [Intoxicating beverages]				
Chief of Section	1			3,500
Inspector	19	2,600	to	2,900
Clerk-Stenographer	3	1,440	to	1,620
8. Inspection Section Title III [Industrial alcohol]				
Chief of Section	1			3,500
Inspector	22	2,600	to	2,900
Recording and Shipment Clerk	1			1,740
Clerk-Stenographer	1			1,620
Clerk-Typist	1			1,560
6. Enforcement Division				
1. Office of Chief of Division				
Enforcement Assistant	1			5,600
Assistant to Enforcement Assistant	1			3,500
Secretary	1			2,000
Clerk	1			1,800
Stenographer-Typist	1			1,440
2. Major Conspiracy Section				
Chief of Section	1			3,800
Investigator	7			2,900
Secretary	1			1,800
Stenographer-Typist	1			1,440
3. General Enforcement Section				
Chief of Section	1			2,300
Agent	[7]			
Stenographer-Typist	1			1,440
4. Padlock Section				
Chief of Section	1			2,300
Agent	[7]			
Clerk-Stenographer	1			1,620

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[6] Warehouse watchmen are located at bonded warehouses where no manufacturing is carried on. They patrol the plant, have the keys to the storerooms, and supervise the removal of the products.

[7] Assigned as needed from Enforcement Squad.

1. Office of the Commissioner—*Continued*		
6. Second District—*Continued*		
6. Enforcement Division—*Continued*		
5. Alcohol Police Section		
Chief of Section	1	2,300
Assistant Chief	1	2,300
Agent	[7]	
Stenographer-Clerk	1	1,440
6. Brewery Police Section		
Chief of Section	1	2,300
Assistant Chief	1	2,300
Agent	[7]	
Stenographer-Clerk	1	1,740
7. Enforcement Squad		
Agent	158	2,300 to 2,800
8. Freight and Express Shipment Section		
Chief of Section	1	3,100
Agent	1	2,300
Stenographer-Clerk	1	1,440
9. Case Report Section		
Chief of Section	1	1,920
Case Report Clerk	2	1,440
Index Clerk	1	1,440
10. Automobile Section		
Chief of Section	1	3,200
Clerk-Stenographer	2	1,620
Typist	1	1,320
Chauffeur	5	1,500
11. Army Base Liquor Section		
1. Office of Officer in Charge		
Officer in Charge	1	2,300
Clerk	1	1,440
Laborer	15	4.50 p.d.
2. Army Base Seized Car Section		
Agent in Charge	1	2,300
12. Office of Deputy Administrator, Brooklyn, New York		
Deputy Administrator	1	3,500
Agent	[7]	
Clerk-Stenographer	1	1,920
Stenographer-Clerk	2	1,620 and 1,680

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[7] Assigned as needed from Enforcement Squad.

1. Office of the Commissioner—*Continued*		
6. Second District—*Continued*		
7. United States Attorney's Office, New York[8]		
Attorney	2	3,100
Law Clerk	1	3,100
Stenographer	8	1,620 to 1,860
File Clerk	1	1,620
Typist	4	1,440 to 1,560
Messenger	4	1,080
7. Third District, Headquarters, Buffalo New York		
1. Immediate Office of Administrator		
Administrator	1	6,400
Secretary	1	2,000
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	2,900
2. Disbursing Section		
Disbursing and Payroll Clerk	1	2,200
Audit Clerk	1	1,800
Voucher Clerk	1	1,620
Stenographer-Clerk	1	1,620
3. Mail and Files Section		
Chief of Section	1	1,800
Clerk	2	1,440 and 1,500
4. Miscellaneous Section		
Supply Clerk	1	1,440
Telephone Operator	1	1,380
Messenger	1	1,200
3. Legal Division		
Legal Advisor	1	3,800
Associate Attorney	1	3,200
Assistant Attorney	1	2,600
Secretary	1	1,800
Assessment Clerk	1	1,800
Clerk-Stenographer	1	1,620
Stenographer-Clerk	1	1,440
4. Field Laboratory		
Chemist in Charge	1	3,800
Assistant Chemist	2	2,600
Junior Chemist	1	2,100

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[8] While this unit is nominally attached to the Bureau of Prohibition and is paid from Bureau of Prohibition appropriations, it is entirely under the direction of the United States Attorney.

1. Office of the Commissioner—*Continued*		
7. Third District—*Continued*		
4. Field Laboratory—*Continued*		
Underscientific Helper	1	1,260
Clerk-Stenographer	1	1,620
5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,400
Secretary	1	1,800
2. Basic Permit Section		
Permit Clerk	2	2,000 and 2,300
"J" Permit Clerk	1	1,980
Stenographer-Clerk	1	1,500
3. Withdrawal Section		
Withdrawal Clerk	3	1,620 to 1,980
Clerk-Typist	1	1,500
4. Returns Section		
Clerk	4	1,620 to 1,980
5. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	2,300
2. Office of Storekeeper-Gauger and Warehouse Watchman (1 establishment)		
Storekeeper-Gauger	4	2,000 to 2,500
Warehouse Watchman	1	1,620
6. Inspection Section		
Chief Inspector	1	3,200
Inspector	15	2,600
Clerk-Stenographer	1	1,620
6. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	3,800
Investigator	1	2,900
Secretary	1	1,620
2. Case Report Section		
Chief of Section	1	1,800
Clerk	2	1,440
3. Suboffice, Buffalo, New York		
Agent in Charge	1	2,300
Agent	15	2,300
Clerk-Stenographer	1	1,620
4. Suboffice, Rochester, New York		
Agent in Charge	1	2,300
Agent	6	2,300
Clerk-Stenographer	1	1,620

1. Office of the Commissioner—*Continued*		
7. Third District—*Continued*		
6. Enforcement Division—*Continued*		
5. Suboffice, Elmira, New York		
Agent in Charge	1	2,300
Agent	3	2,300
Clerk-Stenographer	1	1,620
6. Suboffice, Auburn, New York		
Agent in Charge	1	2,300
Agent	3	2,300
8. Fourth District, Headquarters Newark, New Jersey		
1. Immediate Office of Administrator		
Administrator	1	6,400
Secretary	1	2,000
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	2,900
Clerk-Stenographer	1	2,040
Stenographer-Typist	1	1,440
2. Disbursing Section		
Disbursing Clerk	1	2,200
Audit and Payroll Clerk	1	1,800
Audit Clerk	1	1,620
Clerk-Typist	2	1,440 and 1,620
3. Mail and Files Section		
Chief	1	1,800
Mail and File Clerk	3	1,440 to 1,740
4. Miscellaneous Section		
Information Clerk	1	1,860
Telephone Operator	1	1,260
Stock Clerk and Machine Operator	1	1,560
Messenger	2	1,080 and 1,200
3. Legal Division		
Legal Advisor	1	5,200
Associate Attorney	2	3,200
Assistant Attorney	3	2,600
Secretary	1	1,800
Assessment Clerk	1	1,800
Senior Stenographer	2	1,920
Stenographer	2	1,620 and 1,740
4. Field Laboratory		
Chemist in Charge	1	3,800
Assistant Chemist	1	2,600
Junior Chemist	1	2,100
Clerk-Stenographer	1	1,620

1. Office of the Commissioner—*Continued*
8. Fourth District—*Continued*

5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,600
Secretary	1	1,800
2. Basic Permit Section		
Chief of Section	1	2,300
Permit Clerk	2	1,980 and 2,100
Clerk-Stenographer	2	1,620
3. Withdrawal Section		
Chief of Section	1	2,000
Withdrawal Clerk	1	1,680
Specially Denatured Alcohol and Taxfree Withdrawal Clerk	1	1,620
Prescription Book Clerk	1	1,620
Confirmation and Cancellation Clerk	1	1,740
Signing and Registration Clerk	1	1,620
Senior Typist	1	1,560
4. Returns Section		
Chief of Section	1	1,800
Clerk	3	1,620 to 1,740
5. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	2,700
Clerk	1	1,800
2-7. Offices of Storekeeper-Gaugers (6 establishments)		
Storekeeper-Gauger	12	2,000 to 2,500
6. Permit Inspection Section		
Chief Inspector	1	3,500
Inspector	16	2,600 to 2,700
Secretary	1	1,620
6. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	4,600
Agent	37	2,300 to 2,500
Secretary	1	1,800
Clerk-Typist	2	1,440 and 1,740
Junior Stenographer	3	1,440 to 1,500
Typist	1	1,440
Warehouseman (Custodian of Seized Property Warehouse)	1	2,300
2. Investigation Section		
Investigator in Charge	1	2,900
Investigator	56	2,900

1. Office of the Commissioner—*Continued*
    8. Fourth District—*Continued*
        6. Enforcement Division—*Continued*
            3. Suboffice, Camden, New Jersey

Agent in Charge	1	2,500
Agent	3	2,300 to 2,500
Clerk-Stenographer	1	1,620

9. Fifth District, Headquarters Philadelphia, Pennsylvania[a]

Personnel: Administrator, $6,400; 2 Assistant Administrators, $4,600 and $5,200; Attorney, $5,200; 4 Assistant Attorneys, $2,600 to $3,100; 44 Agents, $2,000; 51 Inspectors, $2,600 to $3,600; 5 Senior Investigators, $3,200; Investigator, $3,400; Chemist, $3,800; Assistant Chemist, $2,600; 2 Junior Chemists, $2,100 and $2,500; 15 Storekeeper-Gaugers, $2,000 to $2,500; 8 Warehouse Watchmen, $1,320 to $1,620; 29 Clerk-Stenographer-Typists, $1,440 to $2,100; 23 Clerk-Typists, $1,320 to $3,000; 14 Clerks, $1,320 to $2,500; 5 File Clerks, $1,320 to $1,560; Elliott-Fisher Operator, $1,440; Telephone Operator, $1,380; Auto Mechanic, $1,800; Watchman, $1,440; 2 Messengers, $1,080; Unskilled Laborers, $3.50 per diem; 2 Chauffeurs, $1,320 and 2 @ 65c an hour.

Branch Offices:

1-10. Offices of Storekeeper-Gauger and Warehouse Watchmen (10 establishments)

10. Sixth District, Headquarters Pittsburgh, Pennsylvania
    1. Immediate Office of Administrator

Administrator	1	6,400
Secretary	1	2,300

    2. Administrative Division
        1. Office of Chief of Division

Chief Clerk	1	2,600
Secretary	1	1,620

        2. Disbursing Section

Disbursing Clerk	1	2,500
Payroll and Audit Clerk	1	1,800
Miscellaneous Voucher Clerk	1	1,620
Travel Expense Voucher Clerk	2	1,620

        3. Mail and Files Section

Chief of Section	1	1,800
Mail and File Clerk	3	1,440

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[a] Detailed outline of organization not available.

1. Office of the Commissioner—*Continued*		
10. Sixth District—*Continued*		
2. Administrative Division—*Continued*		
4. Miscellaneous Section		
Information Clerk	1	1,800
Supply Clerk	1	1,440
Telephone Operator	1	1,260
Messenger	1	1,080
3. Legal Division		
1. Office of Chief of Division		
Legal Advisor	1	6,000
Associate Attorney	4	3,200
Assistant Attorney	3	2,800
Secretary	1	1,800
Assessment Clerk	1	1,800
Stenographer-Clerk in Charge of Pool	1	1,800
Reporting Stenographer-Clerk	2	1,620 and 1,800
Clerk-Stenographer	1	1,620
Seized Automobile Clerk	1	1,440
Docket Clerk	1	1,440
Stenographer Clerk	3	1,440 to 1,620
Clerk-Typist	4	1,440
2. Warehouse Section		
Custodian of Seized Property Warehouse	1	2,300
Laborer	3	1,200
Mechanic	2	1,500
Messenger Boy	1	1,080
4. Field Laboratory		
Chemist in Charge	1	3,800
Assistant Chemist	2	2,600 and 2,800
Stenographer	1	1,620
Typist	1	1,440
5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,400
Secretary	1	1,620
2. Basic Permit Section		
Chief of Section	1	2,000
Permit Clerk	2	1,800 and 2,000
"J" Permit Clerk	1	1,800
Stenographer-Clerk	2	1,440
3. Withdrawal Section		
Chief of Section	1	2,000

1. Office of the Commissioner—*Continued*		
10. Sixth District—*Continued*		
5. Permissive Division—*Continued*		
3. Withdrawal Section—*Continued*		
Confirmation and Cancellation Clerk	1	1,620
Signing and Registration Clerk	1	1,620
Specially Denatured Alcohol and Taxfree and Prescription Book Clerk	1	1,620
Senior Typist	1	1,440
4. Returns Section		
Chief of Section	1	1,800
Clerk	3	1,620 to 1,740
Specially Denatured Alcohol Clerk	1	1,620
5. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	2,900
Bonded Accounts Clerk	1	2,000
Assistant Bonded Accounts Clerk	1	1,800
2-5. Offices of Storekeeper-Gaugers and Warehouse Watchmen (4 establishments)		
Storekeeper-Gauger	12	2,000 to 2,500
Warehouse Watchman	4	1,500
6. Permit Inspection Section		
Chief Inspector	1	3,200
Inspector	12	2,600
Clerk-Stenographer	1	1,620
6. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	3,800
Secretary	1	1,620
2. Investigation Section		
Chief of Section	1	2,900
Investigator	5	2,600
Secretary	1	1,620
3. Case Report Section		
Case Report Clerk	4	1,440 to 1,560
File Clerk	1	1,440
4. Office of Deputy Administrator, Pittsburgh, Pennsylvania		
Deputy Administrator	1	3,600
Agent	64	2,300
Clerk-Stenographer	2	1,620

1. Office of the Commissioner—*Continued*		
10. Sixth District—*Continued*		
6. Enforcement Division—*Continued*		
5. Office of Deputy Administrator, Fairmont, West Virginia		
1. Immediate Office of Deputy Administrator		
Deputy Administrator	1	3,400
Agent	1	2,300
Clerk-Stenographer	1	1,440
2. Suboffice, Wheeling, West Virginia		
Agent in Charge	1	2,300
Agent	2	2,300
3. Suboffice, Martinsburg, West Virginia		
Agent in Charge	1	2,300
Agent	1	2,300
6. Office of Deputy Administrator, Charleston, West Virginia		
1. Immediate Office of Deputy Administrator		
Deputy Administrator	1	3,200
Agent	5	2,300
Clerk-Stenographer	1	1,740
2. Suboffice, Huntington, West Virginia		
Agent in Charge	1	2,300
Agent	1	2,300
Clerk-Stenographer	1	1,380
3. Suboffice, Bluefield, West Virginia		
Agent in Charge	1	2,300
Agent	1	2,300
11. Seventh District, Headquarters Baltimore, Maryland		
1. Immediate Office of Administrator		
Administrator	1	6,400
Secretary	1	2,000
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	2,800
Secretary	1	1,620
2. Disbursing Section		
Disbursing Clerk	1	2,300
Payroll Clerk	1	1,980
Voucher Clerk	1	1,920

1. Office of the Commissioner—*Continued*		
11. Seventh District—*Continued*		
2. Administrative Division—*Continued*		
3. Mail and Files Section		
Chief of Section	1	1,860
File Clerk	2	1,440 and 1,620
4. Miscellaneous Section		
Information Clerk	1	1,740
Stenographer-Clerk	2	1,620 and 1,740
Telephone Operator	1	1,320
Messenger	2	1,380
3. Legal Division		
Legal Advisor	1	3,800
Associate Attorney	1	3,200
Assistant Attorney	2	2,600
Assessment Clerk	1	1,920
Stenographer	1	1,800
Stenographer-Clerk	1	1,740
Secretary	1	1,620
4. Field Laboratory		
Chemist	1	3,300
Assistant Chemist	1	2,600
Clerk-Stenographer	1	1,620
5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,600
Secretary	1	2,100
2. Basic Permit Section		
Chief of Section	1	2,300
Permit Clerk	1	2,000
Clerk-Stenographer	1	1,620
3. Withdrawal Section		
Chief of Section	1	2,100
Clerk	3	1,620 to 1,800
4. Returns Section		
Chief of Section	1	1,860
Clerk	2	1,680
5. Inspection Section		
Clerk	1	1,560
Inspector	14	2,600 to 3,100
6. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	3,200
Clerk	1	2,200

1. Office of the Commissioner—*Continued*		
11. Seventh District—*Continued*		
5. Permissive Division—*Continued*		
6. Bonded Accounts Section—*Continued*		
2-6. Offices of Storekeeper-Gaugers and Warehouse Watchmen (5 establishments)		
Storekeeper-Gauger	22	2,000 to 2,500
Warehouse Watchman	10	1,320
6. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	4,600
Secretary	1	1,860
Foreman Garage	1	1,680
Assistant Foreman	1	1,500
Chauffeur	3	1,500
Garage Mechanic	2	1,500
2. Investigation Section		
Investigator	3	2,900
3. Office of Deputy Administrator, Baltimore, Maryland		
1. Immediate Office of Deputy Administrator		
Deputy Administrator	1	3,700
Agent	25	2,300 to 2,500
Case Report Clerk	2	1,560 and 1,620
2. Suboffice, Cumberland, Maryland		
Agent in Charge	1	2,300
Agent	2	2,300
Clerk-Stenographer	1	1,620
4. Office of Deputy Administrator, Wilmington, Delaware		
Deputy Administrator	1	3,200
Agent	3	2,300
Clerk-Stenographer	1	1,620
5. Office of Deputy Administrator, Washington, District of Columbia		
Deputy Administrator	1	3,500
Assistant Attorney	1	3,100
Chemist (Bureau Laboratory)	1	2,900
Agent	15	2,300 to 2,500
Secretary	1	1,740
Case Report Clerk	2	1,740
Clerk-Typist	1	1,740
Mail and File Clerk	1	1,680
Assistant Automobile Mechanic	1	1,680

1. Office of the Commissioner—*Continued*		
11. Seventh District—*Continued*		
6. Enforcement Division—*Continued*		
5. Office of Deputy Administrator, Washington—*Continued*		
Junior Mechanic	1	1,740
Auto Mechanic	2	1,680
12. Eighth District, Headquarters Richmond, Virginia		
1. Immediate Office of Administrator		
Administrator	1	6,000
Secretary	1	2,300
2. Administrative Division		
Chief Clerk	1	2,400
Disbursing Clerk	1	2,100
Voucher Clerk	1	1,920
Clerk	1	1,560
3. Legal Division		
Legal Advisor	1	3,200
Secretary	1	2,100
4. Field Laboratory		
Chemist	1	3,300
Assistant Chemist	1	2,600
Clerk-Stenographer	1	1,740
5. Permissive Division		
Permissive Assistant	1	3,800
Permit Clerk	1	2,200
Inspector	3	2,600
" J " Permit Clerk	2	1,860
Withdrawal Clerk	1	1,800
6. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	4,600
Investigator	2	3,000 and 3,200
Agent	12	2,300
Clerk-Stenographer	1	1,620
2. Suboffice, Norfolk, Virginia		
Agent	7	2,300
3. Office of Deputy Administrator, Roanoke, Virginia		
Deputy Administrator	1	3,600
Agent	18	2,300
Clerk-Stenographer	2	1,680 and 1,740
4. Office of Deputy Administrator, Charlotte, North Carolina		
Deputy Administrator	1	3,700

1. Office of the Commissioner—*Continued*		
12. Eighth District—*Continued*		
6. Enforcement Division—*Continued*		
4. Office of Deputy Administrator, Charlotte—*Continued*		
Agent	10	2,300
Clerk-Stenographer	1	1,800
5. Office of Deputy Administrator, Wilson, North Carolina		
Deputy Administrator	1	3,600
Agent	13	2,300
Clerk-Stenographer	1	1,740
6. Office of Deputy Administrator, Greensboro, North Carolina		
Deputy Administrator	1	3,600
Agent	12	2,300
Clerk-Stenographer	1	1,800
7. Office of Deputy Administrator, Charleston, South Carolina		
Deputy Administrator	1	3,200
Agent	9	2,300
Clerk-Stenographer	1	1,620
8. Office of Deputy Administrator, Greenville, South Carolina		
Deputy Administrator	1	3,600
Agent	9	2,300
Clerk-Stenographer	1	1,920
13.. Ninth District, Headquarters Savannah, Georgia		
1. Immediate Office of Administrator		
Administrator	1	5,600
Secretary	1	2,200
2. Administrative Division		
Chief and Special Disbursing Agent	1	3,200
Clerk	3	1,620 to 2,300
Stenographer-Clerk	1	1,440
3. Legal Division		
Legal Advisor	1	4,400
Attorney	1	4,000
Junior Attorney	1	2,800
Secretary	1	1,800
Clerk-Stenographer	1	1,620
Stenographer	1	1,440
4. Permissive Division		
Permit Clerk	2	2,100
Inspector	2	2,600 and 3,000
Returns Clerk	1	1,620

1. Office of the Commissioner—*Continued*		
13. Ninth District—*Continued*		
5. Office of Deputy Administrator, Savannah, Georgia		
Deputy Administrator	1	3,200
Investigator	1	3,100
Agent	17	2,300
Clerk-Stenographer	1	1,620
6. Office of Deputy Administrator, Atlanta, Georgia		
Deputy Administrator	1	3,800
Agent	12	2,300
Clerk-Stenographer	1	1,800
7. Office of Deputy Administrator, Macon, Georgia		
Deputy Administrator	1	3,800
Agent	11	2,300
Clerk-Stenographer	1	1,620
8. Office of Deputy Administrator, Jacksonville, Florida		
Deputy Administrator	1	4,800
Investigator	2	2,900 and 3,000
Agent	16	2,300
Clerk-Stenographer	2	1,620 and 1,920
9. Suboffice, Miami, Florida		
Agent	6	2,300
10. Suboffice, Lake Worth, Florida		
Agent	9	2,300
Clerk-Stenographer	1	1,620
11. Suboffice, Tampa, Florida		
Investigator	1	2,900
Agent	11	2,300
Clerk-Stenographer	1	1,920
14. Tenth District, Headquarters New Orleans, Louisiana		
1. Immediate Office of Administrator		
Administrator	1	6,400
Secretary	1	2,200
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk and Special Disbursing Clerk	1	3,200
Clerk-Stenographer	1	1,620

1. Office of the Commissioner—*Continued*		
14. Tenth District—*Continued*		
2. Administrative Division—*Continued*		
2. Disbursing Section		
Disbursing Clerk	1	2,300
Audit Clerk	2	1,620 and 1,860
Payroll Clerk	1	1,620
3. Mail and Files Section		
Chief of Section	1	1,620
Mail and Files Clerk	2	1,500
4. Miscellaneous Section		
Supply Clerk	1	1,620
Mimeograph Operator	1	1,440
Telephone Operator	1	1,260
Messenger Boy	1	1,080
3. Legal Division		
Legal Advisor	1	4,400
Associate Attorney	2	3,200 and 3,400
Clerk-Stenographer	2	1,620 and 1,920
Assessment Clerk	1	1,800
Secretary	1	1,620
4. Field Laboratory		
Chemist in Charge	1	3,800
Assistant Chemist	1	2,700
Clerk-Stenographer	1	1,620
5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,600
Secretary	1	1,800
2. Basic Permit Section		
Chief of Section	1	2,200
Permit Clerk	2	1,800 and 2,000
3. Withdrawal Section		
Chief of Section	1	1,800
Clerk-Typist	1	1,740
Clerk-Stenographer	1	1,620
4. Returns Section		
Prescription Audit Clerk	1	1,800
Clerk	2	1,620 and 1,740
5. Inspection Section		
Chief Inspector	1	2,600
Inspector	7	2,600
Clerk-Stenographer	1	1,620
6. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	3,400

1. Office of the Commissioner—*Continued*				
14. Tenth District—*Continued*				
5. Permissive Division—*Continued*				
6. Bonded Accounts Section—*Continued*				
1. Office of Chief of Section—*Continued*				
Assistant Chief	1			2,600
Clerk-Stenographer	1			1,620
2-12. Office of Storekeeper-Gaugers (11 establishments)				
Storekeeper-Gauger	31	2,000	to	2,500
6. Enforcement Division				
1. Office of Chief of Division				
Enforcement Assistant	1			5,000
Investigator	5	2,900	to	3,100
Secretary	1			1,800
Typist	1			1,740
Statistical Clerk	1			1,620
Clerk-Stenographer	1			1,620
2. Office of Deputy Administrator, New Orleans, Louisiana				
Deputy Administrator	1			3,200
Agent	31	2,300	to	2,600
Clerk-Stenographer	1			1,620
Clerk-Typist	1			1,620
Clerk	1			1,440
3. Office of Deputy Administrator, Alexandria, Louisiana				
Deputy Administrator	1			3,200
Agent	7	2,300	to	2,400
Clerk-Stenographer	1			1,620
4. Office of Deputy Administrator, Birmingham, Alabama				
Deputy Administrator	1			3,300
Agent	8			2,300
Clerk-Stenographer	1			1,620
5. Office of Deputy Administrator, Mobile, Alabama				
Deputy Administrator	1			3,700
Agent	5	2,300	to	2,400
Clerk-Stenographer	1			1,620
6. Office of Deputy Administrator, Montgomery, Alabama				
Deputy Administrator	1			3,300
Agent	6	2,300	to	2,400
Clerk-Stenographer	1			1,620

1. Office of the Commissioner—*Continued*		
14. Tenth District—*Continued*		
6. Enforcement Division—*Continued*		
7. Office of Deputy Administrator, Clarksdale, Mississippi		
Deputy Administrator	1	3,700
Agent	7	2,300
Clerk-Stenographer	1	1,620
8. Office of Deputy Administrator, Jackson, Mississippi		
Deputy Administrator	1	3,700
Agent	6	2,300 to 2,400
Clerk-Stenographer	1	1,920
9. Office of Deputy Administrator, Pensacola, Florida		
Deputy Administrator	1	3,500
Agent	7	2,300
Clerk-Stenographer	1	1,920
15. Eleventh District, Headquarters Louisville, Kentucky		
1. Immediate Office of Administrator		
Administrator	1	6,000
Secretary	1	2,000
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	2,900
Secretary	1	1,620
Stenographer-Clerk	1	1,440
2. Disbursing Section		
Disbursing Clerk	1	2,800
Payroll and Audit Clerk	1	1,800
Voucher Clerk	1	1,620
3. Mail and Files Section		
Chief of Section	1	1,620
Mail and File Clerk	2	1,440 and 1,500
4. Miscellaneous Section		
Supply Clerk	1	1,440
Telephone Operator	1	1,260
Messenger	1	1,440
3. Legal Division		
Legal Advisor	1	3,800
Associate Attorney	1	3,700
Assessment Clerk	1	1,800
Secretary	1	1,800

1. Office of the Commissioner—*Continued*		
15. Eleventh District—*Continued*		
4. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,200
Inspector	6	2,600 to 3,100
Secretary	1	1,620
2. Basic Permit Section		
Chief of Section	1	2,300
Permit Clerk	1	2,000
Specially Denatured Alcohol and Taxfree Permit Clerk	1	2,100
"J" Permit Clerk	1	1,800
3. Withdrawal Section		
Chief of Section	1	2,000
Specially Denatured Alcohol and Taxfree Withdrawal and Prescription Book Clerk	1	1,620
Approving and Cancellation Clerk	1	1,620
Confirmation and Registration Clerk	2	1,620
Senior Typist	1	1,560
4. Returns Section		
Chief of Section	1	1,800
Returns Clerk	1	1,620
5. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	2,600
Clerk	1	2,400
Stenographer-Clerk	1	1,440
2-13. Offices of Storekeeper-Gaugers and Warehouse Watchmen (12 establishments)		
Storekeeper-Gauger	41	2,000 to 2,500
Warehouse Watchman	21	1,320 to 1,620
5. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	4,600
Senior Investigator	1	3,700
Investigator	3	3,100 to 3,200
Secretary	1	1,860
Clerk-Typist	1	1,560
Chauffeur	1	1,200
2. Office of Deputy Administrator, Louisville, Kentucky		
Deputy Administrator	1	3,200
Agent	13	2,300
Clerk-Stenographer	1	1,620

1. Office of the Commissioner—*Continued*				
15. Eleventh District—*Continued*				
5. Enforcement Division—*Continued*				
3. Office of Deputy Administrator, Lexington, Kentucky				
Deputy Administrator	1			3,200
Agent	14	2,300	to	2,600
Clerk-Stenographer	2	1,440	and	1,620
4. Office of Deputy Administrator, Knoxville, Tennessee				
Deputy Administrator	1			3,200
Agent	12	2,300	to	2,800
Clerk-Stenographer	1			1,620
5. Office of Deputy Administrator, Memphis, Tennessee				
Deputy Administrator	1			3,200
Agent	3			2,300
Clerk-Stenographer	1			1,620
6. Office of Deputy Administrator, Nashville, Tennessee				
Deputy Administrator	1			3,200
Agent	5	2,300	to	2,800
Clerk-Stenographer	1			1,680
16. Twelfth District, Headquarters Columbus, Ohio				
1. Immediate Office of Administrator				
Administrator	1			6,400
Secretary	1			2,300
2. Administrative Division				
1. Office of Chief of Division				
Chief Clerk and Special Disbursing Agent	1			3,200
Stenographer-Clerk	2			1,440
Secretary	1			1,620
2. Disbursing Section				
Disbursing Clerk	1			2,200
Payroll and Audit Clerk	1			1,800
Voucher Clerk	1			1,680
3. Mail and Files Section				
Chief of Section	1			1,800
Mail and File Clerk	3	1,440	to	1,740
4. Miscellaneous Section				
Supply Clerk	1			1,680

1. Office of the Commissioner—*Continued*		
16. Twelfth District—*Continued*		
2. Administrative Division—*Continued*		
4. Miscellaneous Section—*Continued*		
Telephone Operator	1	1,260
Messenger	1	1,260
3. Legal Division		
Legal Advisor	1	4,400
Associate Attorney	1	3,200
Assessment Clerk	1	1,800
Secretary	1	1,800
Typist	1	1,260
4. Field Laboratory		
Chemist in Charge	1	3,800
Assistant Chemist	1	3,000
Clerk-Stenographer	1	1,620
5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,400
Secretary	1	1,800
2. Basic Permit Section		
Chief of Section	1	2,000
Permit Clerk	2	2,000
"J" Permit Clerk	1	1,800
Clerk-Stenographer	1	1,620
Stenographer-Clerk	1	1,440
3. Withdrawal Section		
Chief of Section	1	2,000
Specially Denatured Alcohol and Taxfree Withdrawal Clerk	1	1,800
Confirmation and Cancellation Clerk	1	1,620
Registration Clerk	1	1,620
Doctor's Prescription Book Clerk	1	1,620
Senior Typist	1	1,500
4. Returns Section		
Chief of Section	1	2,000
Clerk	5	1,620 to 1,740
5. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	3,200
Clerk	1	2,000
Clerk-Stenographer	1	1,620
2-6. Offices of Storekeeper-Gaugers (5 establishments)		
Storekeeper-Gauger	14	2,000 to 2,500

1. Office of the Commissioner—*Continued*				
16. Twelfth District—*Continued*				
5. Permissive Division—*Continued*				
6. Permit Inspection Section				
Chief Inspector	1			3,200
Inspector	16	2,600	to	3,100
Clerk-Stenographer	1			1,620
6. Enforcement Division				
1. Office of Chief of Division				
Enforcement Assistant	1			4,600
Investigator	1			3,100
Secretary	1			1,800
File Clerk	2			1,440
2. Office of Deputy Administrator, Columbus, Ohio				
1. Immediate Office of Deputy Administrator				
Deputy Administrator	1			3,200
Agent	11			2,300
Clerk-Stenographer	1			1,620
2. Suboffice, Cincinnati, Ohio				
Agent in Charge	1			2,300
Agent	7			2,300
Clerk-Stenographer	1			1,620
3. Office of Deputy Administrator, Cleveland, Ohio				
1. Immediate Office of Deputy Administrator				
Deputy Administrator	1			4,000
Agent	17			2,300
Clerk-Stenographer	2			1,620
2. Suboffice, Toledo, Ohio				
Agent in Charge	1			2,800
Agent	5			2,300
Clerk-Stenographer	1			2,300
4. Office of Deputy Administrator, Indianapolis, Indiana				
1. Immediate Office of Deputy				
Deputy Administrator	1			3,200
Agent	13	2,300	to	2,600
Secretary	1			1,800
Clerk-Stenographer	2			1,620
2. Suboffice, South Bend, Indiana				
Deputy Administrator	1			3,200
Agent	8	2,300	to	2,500
Clerk-Stenographer	1			1,620

1. Office of the Commissioner—*Continued*
   17. Thirteenth District, Headquarters Chicago, Illinois

1. Immediate Office of Administrator		
Administrator	1	6,500
Secretary	1	2,300
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	3,800
Secretary	1	1,800
Stenographer	4	1,440 to 1,560
Clerk-Typist	4	1,440
2. Disbursing Section		
Disbursing Clerk	1	2,300
Audit Clerk	1	1,800
Miscellaneous Voucher Clerk	1	1,680
Payroll Clerk	1	1,620
Travel Voucher Clerk	2	1,740 and 1,800
Allotment Clerk	1	1,440
Stenographer-Clerk	1	1,620
3. Mail and Files Section		
Chief of Section	1	1,980
Signing Clerk	1	1,800
Mail Clerk	3	1,440
Index Clerk	2	1,500 and 1,560
File Clerk	5	1,440 to 1,500
Messenger	2	1,380 and 1,500
4. Space, Supply and Equipment Section		
Chief of Section	1	2,100
Stock Clerk	1	1,560
Stenographer	1	1,440
Duplicating Machine Operator	2	1,440 and 1,560
5. Miscellaneous Section		
Photographer	1	1,800
Information Clerk	1	1,440
Telephone Operator	1	1,500
Messenger	2	1,200 and 1,500
3. Legal Division		
1. Office of Legal Advisor		
Legal Advisor	1	5,200
Attorney	1	3,800
Associate Attorney	5	3,200 to 3,700
Assistant Attorney	1	2,600
Secretary	1	1,800
Assertion and Demand Clerk	1	1,800
Senior Stenographer	1	1,620
Clerk-Typist	2	1,620 and 1,740

1. Office of the Commissioner—*Continued*		
17. Thirteenth District—*Continued*		
3. Legal Division—*Continued*		
2. Stenographic Pool Section		
Chief and Docket Clerk	1	1,920
Principal Stenographer	4	1,800
Senior Stenographer	3	1,620 to 1,740
4. Field Laboratory		
Chemist in Charge	1	3,800
Associate Chemist	1	3,200
Assistant Chemist	2	2,600
Laboratorian	1	2,200
Clerk-Stenographer	1	1,740
5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	5,600
Secretary	1	2,000
2. Basic Permit Section		
Chief of Section	1	2,900
Assistant Chief (Special denatured alcohol and general)	1	2,600
Permit Clerk	1	2,000
"H" Permit Clerk	1	2,000
"I" Permit Clerk	1	2,000
"J" Permit Clerk	1	1,800
Permit Clerk (hospital and tax free alcohol)	1	1,920
Senior Stenographer	1	1,620
Clerk-Stenographer	5	1,620 to 1,740
Stenographer-Clerk	2	1,440 and 1,740
3. Withdrawal Section		
Chief of Section	1	2,600
Assistant Chief	1	2,000
Authorization Clerk	2	1,800
Checking and Signing Clerk	2	1,620
Confirmation Clerk	1	1,800
Cancellation Clerk	1	1,620
Shipment Posting Clerk	1	1,620
Specially Denatured Alcohol Withdrawal Clerk	1	1,740
Prescription Book Clerk	2	1,620 and 1,740
Miscellaneous Withdrawal Clerk	1	1,620
Junior Stenographer	1	1,560
Record Clerk	1	1,560

1. Office of the Commissioner—*Continued*				
17. Thirteenth District—*Continued*				
5. Permissive Division—*Continued*				
3. Withdrawal Section—*Continued*				
Registration Clerk	1			1,440
Senior Typist	2	1,440	and	1,560
4. Returns Section				
Chief of Section	1			2,300
Prescription Audit Clerk	1			2,000
Returns Audit Clerk	6	1,620	to	1,860
Stenographer-Typist	1			1,560
Clerk	1			1,440
5. Bonded Accounts Section				
1. Office of Chief of Section				
Chief of Section	1			3,400
Plant Inspector	2	2,600	and	2,900
Bonded Accounts Clerk	1			2,000
Assistant Bonded Accounts Clerk	1			1,920
Stenographer-Clerk	1			1,560
2-20. Offices of Storekeeper-Gaugers and Warehouse Watchmen (19 establishments)				
Storekeeper-Gauger	46	2,000	to	2,500
Warehouse Watchman	2	1,320	to	1,620
6. Permit Inspection Section				
Chief Inspector	1			3,800
Inspector	40			2,600
Clerk-Stenographer	1			1,740
Stenographer-Clerk	1			1,500
6. Enforcement Division				
1. Office of Chief of Division				
Chief of Division	1			5,600
Secretary	1			2,000
2. Investigation Section				
Chief of Section	1			3,800
Senior Investigator	2			3,500
Investigator	14			2,900
Secretary	1			1,620
3. Case Report Section				
Chief of Section	1			2,300
Case Report Clerk	5	1,440	to	1,560
Index and File Clerk	1			1,440
4. Office of Deputy Administrator, Chicago, Illinois				
Deputy Administrator	1			3,500

1. Office of the Commissioner—*Continued*
   17. Thirteenth District—*Continued*
       6. Enforcement Division—*Continued*
          4. Office of Deputy Administrator, Chicago—*Continued*

Agent	75	2,300
Clerk-Stenographer	1	1,620
Information Clerk	1	1,800
Senior Warehouseman	1	2,300
Warehouse Watchman	2	1,320
Storeman	1	1,440

5. Office of Deputy Administrator, Springfield, Illinois

Deputy Administrator	1	3,700
Agent	16	2,300
Clerk-Stenographer	1	1,620
Stenographer	1	1,440

6. Office of Deputy Administrator, East St. Louis, Illinois

Deputy Administrator	1	3,500
Agent	12	2,300
Clerk-Stenographer	1	1,740
Stenographer	1	1,440

7. Office of Deputy Administrator, Milwaukee, Wisconsin

Deputy Administrator	1	4,000
Agent	16	2,300
Clerk-Stenographer	1	1,620
Stenographer	2	1,440 and 1,560

8. Office of Deputy Administrator, Des Moines, Iowa

Deputy Administrator	1	3,700
Agent	12	2,300
Clerk-Stenographer	1	1,620
Stenographer	1	1,440

9. Office of Deputy Administrator, Fort Dodge, Iowa

Deputy Administrator	1	3,500
Agent	12	2,300
Clerk-Stenographer	1	1,620
Stenographer	1	1,440

18. Fourteenth District, Headquarters, St. Paul, Minnesota[10]

Personnel: Administrator, $6,000; Assistant Administrator, $4,400; 3 Deputy Administrators, $3,700; Senior Attorney, $5,200; 2 Associate Attorneys, $3,200; 52 Agents, $2,300 to

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[10] Detailed outline of organization not available.

1. Office of the Commissioner—*Continued*
   18. Fourteenth District—*Continued*
       $2,800; 10 Inspectors, $2,600 to $2,700; 2 Investigators, $2,900 and $3,400; Distilled Spirits Inspector, $1,860; Chemist, $3,800; Junior Chemist, $2,100; 23 Stenographers, $1,440 to $1,860; 9 Clerks, $1,380 to $2,200; 2 Clerk-Typists, $1,380 and $1,620

       Branch Offices:
       1. Office of Deputy Administrator, Fargo, North Dakota
       2. Office of Deputy Administrator, Madison, Wisconsin
       3. Office of Deputy Administrator, Sioux Falls, South Dakota
       4. Field Laboratory, Minneapolis, Minnesota
   19. Fifteenth District, Headquarters Topeka, Kansas[11]
       Personnel: Administrator, $5,600; Assistant Administrator, $2,800; 2 Deputy Administrators, $3,200 and $3,700; 2 Attorneys, $3,900 and $4,400; 58 Agents, $2,300 to $2,600; 2 Inspectors, $2,800 and $3,000; Investigator, $4,200; Associate Chemist, $3,800; Pharmacist, $2,700; 13 Stenographers, $1,440 to $1,980; 4 Clerks, $1,620 to $2,800; Clerk-Typist, $1,740; Messenger-Boy, $780

       Branch Offices:
       1. Office of Deputy Administrator, Oklahoma City, Oklahoma
       2. Office of Deputy Administrator, Omaha, Nebraska
   20. Sixteenth District, Headquarters St. Louis, Missouri[11]
       Personnel: Administrator, $6,000; Assistant Administrator, $4,600; 3 Deputy Administrators, $3,400 to $5,200; Assistant Attorney, $2,600; 57 Agents, $2,300 to $3,300; 6 Inspectors, $2,600 to $3,100; 2 Distilled Spirits Inspectors, $1,920 and $2,100; Chemist, $3,800; Associate Chemist, $3,000; Junior Chemist, $2,100; 11 Clerks, 1,320 to $2,400; 2 Clerk-Stenographers, $1,500 and $1,800; 18 Clerk-Typists, $1,440 to $1,740; 16 Stenographers, $1,440 to $1,680; Stenographer-Clerk, $1,560; 2 Junior Stenographers, $1,440; 6 Stenographer-Typists, $1,620 to $1,920; Junior-Stenographer-Typist, $1,440; 2 Senior Typists, $1,440; 12 Typists, $1,440 to $1,620; Junior Typist, $1,440

       Branch Offices:
       1. Office of Deputy Administrator, Fort Smith, Arkansas
       2. Office of Deputy Administrator, Little Rock, Arkansas
       3. Office of Acting Deputy Administrator, Kansas City, Missouri

       4-10. Offices of Storekeeper-Gaugers and Warehouse Watchmen (7 establishments)

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[11] Detailed outline of organization not available.

1. Office of the Commissioner—*Continued*		
21. Seventeenth District, Headquarters Fort Worth, Texas		
1. Immediate Office of Administrator		
Administrator	1	5,600
Secretary	1	2,000
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	3,000
Stenographer-Clerk	1	1,440
2. Disbursing Section		
Disbursing Clerk	1	2,500
Payroll and Audit Clerk	1	1,980
Clerk-Stenographer	2	1,860
3. Mail and Files Section		
Chief of Section	1	1,500
Clerk	1	1,440
4. Miscellaneous Section		
Telephone Operator	1	1,440
Messenger	1	1,080
3. Legal Division		
Legal Advisor	1	3,800
Associate Attorney	1	3,200
Assistant Attorney	2	2,600
Hearing Reporter	1	1,980
Assessment Clerk	1	1,800
Injunction Clerk	1	1,620
Secretary	1	1,800
4. Field Laboratory		
Chemist in Charge	1	3,800
Assistant Chemist	1	2,600
Clerk-Stenographer	1	1,620
5. Permissive Division		
Permissive Assistant	1	4,000
Inspector	8	2,600 to 2,900
Permit Clerk	2	2,000
Returns Clerk	1	1,920
Withdrawal Clerk	1	1,860
Secretary	1	1,680
Prescription Audit Clerk	1	1,620
Assistant Withdrawal Clerk	1	1,620
Clerk-Stenographer	1	1,620
6. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	3,800
Investigator	5	2,900 to 3,300

1. Office of the Commissioner—*Continued*
    21. Seventeenth District—*Continued*
        6. Enforcement Division—*Continued*
            1. Office of Chief of Division—*Continued*

Secretary	1	1,920
Clerk-Stenographer	1	1,920

2. Office of Deputy Administrator, Fort Worth, Texas

Deputy Administrator	1	3,400
Agent	11	2,300
Clerk-Stenographer	1	1,680
Stenographer-Clerk	1	1,440

3. Office of Deputy Administrator, Houston, Texas

Deputy Administrator	1	3,200
Agent	10	2,300
Clerk-Stenographer	1	1,680

4. Office of Deputy Administrator, Beaumont, Texas

Deputy Administrator	1	3,200
Agent	7	2,300 to 2,700
Clerk-Stenographer	1	1,680

5. Office of Deputy Administrator San Antonio, Texas

Deputy Administrator	1	3,200
Agent	10	2,300
Clerk-Stenographer	2	1,440 and 1,740

22. Eighteenth District, Headquarters Denver, Colorado[12]

Personnel: Administrator, $5,600; 2 Assistant Administrators, $3,500; 2 Deputy Administrators, $3,700;; Assistant Attorney, $2,800; 40 Agents, $2,300 to $2,600; Investigator $3,800; Inspector, $2,600; 5 Clerks, $1,440 to $2,100; 4 Stenographers, $1,440 to $1,920; 2 Clerk-Typists, $1,260 and $1,680; Messenger, $600

Branch Offices:

1. Office of Deputy Administrator, Cheyenne, Wyoming
2. Office of Deputy Administrator, Albuquerque, New Mexico

23. Nineteenth District, Headquarters Helena, Montana[12]

Personnel: Administrator, $6,000; 2 Assistant Administrators, $3,200 and $3,700; Deputy Administrator, $3,700; Assistant Attorney, $3,000; 28 Agents, $2,300 to $2,600; Inspector, $2,600; Pharmacist, $2,600; 8 Stenographers, $1,440 to $1,680; 2 Clerk-Typists, $1,500 and $1,920

Branch Office: Deputy Administrator, Boise, Idaho

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[12] Detailed outline of organization not available.

1. Office of the Commissioner—*Continued*
   24. Twentieth District, Headquarters Seattle, Washington[13]
       Personnel: Administrator, $6,000; Assistant Administrator, $4,400; 2 Deputy Administrators, $3,700 and $4,000; Senior Attorney, $5,200; Assistant Attorney, $3,400; 52 Agents, $2,300 to $3,100; 4 Inspectors, $2,600 to $3,400; 3 Investigators, $2,900 to $3,800; Associate Chemist, $3,300; 19 Stenographers, $1,440 to $2,040; 2 Clerk-Typists, $1,800 and $2,100; 4 Clerks, $1,560 to $2,300
       Branch Office: Deputy Administrator, Portland, Oregon
   25. Twenty-first District, Headquarters San Francisco, California

1. Immediate Office of Administrator		
Administrator	1	5,600
Secretary	1	2,000
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	2,800
Secretary	1	1,620
2. Disbursing Section		
Disbursing Clerk	1	2,100
Payroll and Audit Clerk	1	1,800
Voucher Clerk	1	1,620
Travel Audit Clerk	1	1,620
3. Mail and Files Section		
Chief of Section	1	1,620
Mail and File Clerk	2	1,440
4. Miscellaneous Section		
Information Clerk	1	1,800
Supply Clerk	1	1,440
Telephone Operator	1	1,560
Messenger	1	1,200
3. Legal Division		
Legal Advisor	1	4,400
Associate Attorney	1	3,200
Assistant Attorney	1	2,600
Assessment Clerk	1	1,800
Abatement Clerk	1	1,800
Reporting Stenographer-Clerk	1	1,800
Secretary	1	1,800
4. Field Laboratory		
Chemist in Charge	1	3,800
Assistant Chemist	1	2,600
Stenographer	1	1,620

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[13] Detailed outline of organization not available.

1. Office of the Commissioner—*Continued*				
25. Twenty-first District—*Continued*				
5. Permissive Division				
1. Office of Chief of Division				
Permissive Assistant	1			4,600
Secretary	1			1,800
2. Basic Permit Section				
Chief of Section	1			2,300
Permit Clerk	3			2,000
“ J ” Permit Clerk	1			1,800
Clerk-Stenographer	1			1,620
3. Withdrawal Section				
Chief of Section	1			2,000
Prescription Book Clerk	1			1,620
Specially Denatured Alcohol and Tax-free Withdrawal Clerk	1			1,620
Signing and Registration Clerk	1			1,620
Senior Typist	1			1,440
4. Returns Section				
Chief of Section	1			1,800
Returns Clerk	1			1,680
Specially Denatured Alcohol and Taxfree Returns Clerk	1			1,620
5. Inspection Section				
Chief Inspector	1			3,200
Inspector	12	2,600	to	2,800
Clerk-Stenographer	1			1,620
6. Bonded Accounts Section				
1. Office of Chief of Section				
Chief of Section	1			2,600
Bonded Accounts Clerk (Wineries)	1			2,100
Assistant Bonded Accounts Clerk (Wineries)	1			1,800
Bonded Accounts Clerk (Distilleries)	1			2,000
Assistant Bonded Accounts Clerk (Distilleries)	1			2,100
2-8. Offices of Storekeeper-Gaugers and Warehouse Watchmen (7 establishments)				
Storekeeper-Gauger	21	2,000	to	2,500
Warehouse Watchman	4			1,320
6. Enforcement Division				
1. Office of Chief of Division				
Enforcement Assistant	1			4,600
Secretary	1			1,800

1. Office of the Commissioner—*Continued*		
25. Twenty-first District—*Continued*		
6. Enforcement Division—*Continued*		
1. Office of Chief of Division—*Continued*		
Case Report Clerk	2	1,440
File Clerk	1	1,440
2. Suboffice, San Francisco, California		
Agent in Charge	1	3,200
Agent	40	2,300
3. Suboffice, Sacramento, California		
Agent in Charge	1	2,300
Agent	6	2,300
Clerk-Stenographer	1	1,620
26. Twenty-second District, Headquarters Los Angeles, California		
1. Immediate Office of Administrator		
Administrator	1	5,600
Secretary	1	2,000
2. Administrative Division		
1. Office of Chief Clerk		
Chief Clerk	1	2,700
Secretary	1	1,740
Stenographer-Clerk	1	1,440
Clerk	1	1,260
2. Disbursing Section		
Disbursing Clerk	1	2,200
Payroll and Audit Clerk	1	1,800
Voucher Clerk	1	1,620
Travel Audit Clerk	1	1,620
3. Mail and Files Section		
Chief of Section	1	1,800
Clerk	2	1,440
4. Miscellaneous Section		
Information Clerk	1	1,800
Supply Clerk	1	1,440
Telephone Operator	1	1,380
Messenger	1	1,080
3. Legal Division		
Legal Advisor	1	3,700
Assistant Attorney	1	2,600
Assessment Clerk	1	1,800
Secretary	1	1,800
Stenographer	1	1,620
4. Field Laboratory		
Chemist in Charge	1	3,800

1. Office of the Commissioner—*Continued*		
26. Twenty-second District—*Continued*		
4. Field Laboratory—*Continued*		
Assistant Chemist	1	2,600
Clerk-Stenographer	1	1,620
5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,600
Secretary	1	1,620
2. Basic Permit Section		
Chief of Section	1	2,300
Permit Clerk	2	2,000
"J" Permit Clerk	1	1,800
3. Withdrawal Section		
Chief of Section	1	2,000
Signing and Registration Clerk	1	1,680
Prescription Book Clerk	1	1,680
Confirmation and Cancellation Clerk	1	1,620
Withdrawal Clerk	1	1,440
4. Bonded Accounts Section		
1. Office of Chief of Section		
Chief of Section	1	2,600
Bonded Accounts Clerk	1	2,000
Assistant Bonded Accounts Clerk	1	1,800
2-6. Offices of Storekeeper-Gaugers and Warehouse Watchmen (5 establishments)		
Storekeeper-Gauger	10	2,000 to 2,500
Warehouse Watchman	4	1,320 to 1,620
5. Returns Section		
Chief of Section	1	1,800
Returns Clerk	2	1,620 and 1,800
6. Inspection Section		
Chief Inspector	1	3,200
Inspector	10	2,600 to 2,700
Clerk-Stenographer	1	1,620
6. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	4,600
Investigator	2	2,900
Warehouseman	1	2,000
Secretary	1	1,800
File Clerk	1	1,500
Case Report Clerk	1	1,440

1. Office of the Commissioner—*Continued*		
26. Twenty-second District—*Continued*		
6. Enforcement Division—*Continued*		
2. Suboffice, Los Angeles, California		
Agent in Charge	1	2,300
Agent	34	2,300 to 2,600
27. Twenty-third District, Headquarters Honolulu, Hawaii [14]		
Personnel: Administrator, $5,200; Assistant Administrator, $4,000; Junior Attorney, $2,000; 11 Agents, $2,300 to $2,500; Inspector, $1,740; Distilled Spirits Inspector, $1,740; 2 Clerks, $2,000 and $2,300; 3 Stenographers, $1,620 to $2,400.		
28. Twenty-fourth District, Headquarters San Juan, Porto Rico [14]		
Personnel: Administrator, $6,000; 2 Assistant Administrators, $4,200; 6 Agents, $1,320 to $2,600; 2 Investigators, $3,000 and $3,200; Inspector, $1,860; Senior Scientific Aid, $2,400; Clerk, $1,920; 3 Clerk-Typists, $1,200 to $2,500		
Branch Office:		
1. Office of Administrator, St. Thomas, Virgin Islands, *ex officio* without additional compensation		
29. Twenty-fifth District, Headquarters Detroit, Michigan		
1. Immediate Office of Administrator		
Administrator	1	6,400
Secretary	1	2,200
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	2,800
Stenographer-Clerk	1	1,440
2. Disbursing Section		
Disbursing Clerk	1	2,000
Payroll and Audit Clerk	1	1,800
Miscellaneous and Voucher Clerk	1	1,620
3. Mail and Files Section		
Chief of Section	1	1,620
Mail and File Clerk	2	1,440 and 1,560
4. Miscellaneous Section		
Telephone Operator	1	1,380
Messenger	1	1,320
Messenger Boy	1	1,080
3. Legal Division		
Legal Advisor	1	3,800
Associate Attorney	1	3,200
Assistant Attorney	2	2,600
Clerk-Stenographer	3	1,620 to 1,920

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[14] Detailed outline of organization not available.

1. Office of the Commissioner—*Continued*		
29. Twenty-fifth District—*Continued*		
3. Legal Division—*Continued*		
Assessment Clerk	1	1,800
Secretary	1	1,800
4. Field Laboratory		
Chemist in Charge	1	3,300
Clerk-Stenographer	1	1,620
5. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	4,200
Secretary	1	1,680
2. Basic Permit Section		
Permit Clerk	2	2,000
"J" Permit Clerk	1	1,800
3. Withdrawals Section		
Withdrawal Clerk	2	1,620 and 1,740
4. Returns Section		
Returns Clerk	3	1,620
5. Inspection Section		
Chief Inspector	1	3,400
Inspector	7	2,600 to 2,700
Stenographer-Clerk	1	1,440
6. Bonded Accounts Section		
1. Office of Chief of Section		
Bonded Accounts Clerk	1	2,200
2. Office of Storekeeper-Gaugers (1 establishment)		
Storekeeper-Gauger	2	2,000 and 2,500
6. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	4,600
Secretary	1	1,740
Case Report Clerk	2	1,560
Clerk-Typist	1	1,440
2. Investigation Section		
Investigator	4	2,900 to 3,400
3. Suboffice, Detroit, Michigan		
Agent in Charge	1	3,200
Agent	36	2,300 to 2,800
Stenographer-Clerk	1	1,440
Foreman Mechanic	1	1,680
4. Suboffice, Bay City, Michigan		
Agent in Charge	1	2,500
Agent	4	2,300 to 2,400
Stenographer-Clerk	1	1,440

1. Office of the Commissioner—*Continued*		
29. Twenty-fifth District—*Continued*		
6. Enforcement Division—*Continued*		
5. Office of Deputy Administrator, Grand Rapids, Michigan		
1. Immediate Office of Administrator		
Deputy Administrator	1	3,200
Agent	9	2,300 to 2,400
Clerk-Stenographer	1	1,740
2. Suboffice, Marquette, Michigan		
Agent in Charge	1	2,300
Agent	2	2,300
30. Twenty-sixth District, Headquarters Albany, New York		
1. Immediate Office of Administrator		
Administrator	1	5,600
Secretary	1	2,000
2. Administrative Division		
1. Office of Chief of Division		
Chief Clerk	1	2,600
Stenographer-Clerk	1	1,440
2. Disbursing Section		
Disbursing Clerk	1	2,100
Payroll and Audit Clerk	1	1,920
Voucher Clerk	1	1,620
3. Mail and Files Section		
Chief of Section	1	1,920
Mail and File Clerk	2	1,440
4. Miscellaneous Section		
Telephone Operator	1	1,260
Messenger	1	1,200
Messenger Boy	1	1,000
3. Legal Division		
Legal Advisor	1	3,300
Associate Attorney	1	3,200
Assessment Clerk	1	1,800
Clerk-Stenographer	2	1,620
Stenographer-Clerk	1	1,440
4. Permissive Division		
1. Office of Chief of Division		
Permissive Assistant	1	3,800
Secretary	1	1,620
2. Basic Permit Section		
Permit Clerk	2	2,040 and 2,200
Clerk-Stenographer	1	1,620

1. Office of the Commissioner—*Continued*		
30. Twenty-sixth District—*Continued*		
4. Permissive Division—*Continued*		
3. Withdrawal Section		
Withdrawal Clerk	3	1,620 to 1,800
4. Bonded Accounts Section		
1. Office of Chief of Section		
Clerk	1	2,040
2. Offices of Storekeeper-Gaugers (1 establishment)		
Storekeeper-Gauger	2	2,000 to 2,500
5. Returns Section		
Clerk	3	1,620
6. Permit Inspection Section		
Chief Inspector	1	3,200
Inspector	15	2,600 to 2,800
Clerk-Stenographer	1	1,620
5. Enforcement Division		
1. Office of Chief of Division		
Enforcement Assistant	1	3,800
Secretary	1	1,620
2. Case Report Section		
Clerk-Typist	2	1,440
3. Investigation Section		
Senior Investigator	1	3,600
Investigator	2	2,900
4. Suboffice, Albany, New York		
Agent in Charge	1	2,600
Agent	16	2,300
Clerk-Stenographer	1	1,740
5. Suboffice, Syracuse, New York		
Agent in Charge	1	2,300
Agent	17	2,300
Clerk-Stenographer	2	1,620
6. Suboffice, Malone, New York		
Agent in Charge	1	2,300
Agent	8	2,300
Clerk-Stenographer	1	1,620
7. Suboffice, Binghamton, New York		
Agent in Charge	1	2,300
Agent	1	2,300
8. Suboffice, Kingston, New York		
Agent in Charge	1	2,300
Agent	6	2,300 to 2,800
Assistant Clerk-Stenographer	1	1,740

1. Office of the Commissioner—*Continued*
   31. Twenty-seventh District, Headquarters Salt Lake City, Utah[15]
       Personnel: Administrator, $4,600; Acting Assistant Administrator, $3,800; 3 Deputy Administrators, $3,700 to $3,800; 30 Agents, $2,300 to $2,800; Pharmacist, $2,600; 6 Stenographers, $1,440 to $1,800
       Branch Offices:
       1. Office of Deputy Administrator, Salt Lake City, Utah
       2. Office of Deputy Administrator, Reno, Nevada
       3. Office of Deputy Administrator, Phœnix, Arizona
   32. Office of the Assistant Commissioner
       1. Immediate Office of Assistant Commissioner

Assistant Commissioner	1	7,000
Secretary	1	2,400
Stenographer	1	1,800

       2. Special Agents and Field Enforcement Division
          1. Office of Head of Division

Executive Assistant to the Assistant Commissioner	1	3,700
Stenographer-Clerk	1	2,300
Reviewer	1	2,000
Clerk	1	1,740
Stenographer	1	1,620
Record Clerk	1	1,620
Investigator	2	3,300 and 2,900
Special Agent	4	2,900 to 3,500

          2. Plant Control Section

Special Agent in Charge	1	4,600
Assistant Special Agent in Charge	1	4,400
Special Agent	7	2,900 to 3,700
Junior Special Agent	1	2,400
Secretary	1	1,860
Stenographer-Clerk	1	1,620

          3. Case Review and Criminal Records Section

Senior Attorney in Charge	1	5,600
Clerk	2	1,500 and 1,620
Contact Officer	1	2,300
Stenographer	3	1,440 to 1,680

          4. Field Division Office, Washington, District of Columbia[16]

Special Agent in Charge	1	4,600

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[15] Detailed outline of organization not available.

[16] The areas included in the several field divisions are indicated on p. 165.

1. Office of the Commissioner—*Continued*
    32. Office of the Assistant Commissioner—*Continued*
        2. Special Agents and Field Enforcement Division—*Continued*

4. Field Division Office, Washington, District of Columbia—*Continued*		
Special Agent	8	2,900 to 3,200
Prohibition Agent	2	2,300
Stenographer	1	1,740
5. Field Division Office, New York, New York		
Special Agent in Charge	1	5,600
Special Agent	13	2,600 to 3,500
Prohibition Agent	1	2,400
Assistant Attorney	1	2,800
Stenographer	3	1,440 to 1,560
6. Field Division Office, Jacksonville, Florida		
Special Agent in Charge	1	5,000
Special Agent	12	2,900 to 3,800
Clerk	1	2,900
Stenographer	3	1,620
7. Field Division Office, Detroit, Michigan		
Special Agent in Charge	1	5,600
Special Agent	10	2,900 to 3,500
Stenographer-Typist	1	1,500
Stenographer	3	1,440
8. Field Division Office, Chicago, Illinois		
Acting Special Agent in Charge	1	3,800
Special Agent	14	2,900 to 3,800
Prohibition Agent	1	2,300
Stenographer	4	1,440 to 1,680
9. Field Division Office, Kansas City, Missouri		
Special Agent in Charge	1	4,600
Special Agent	8	2,900 to 4,000
Stenographer	2	1,440 and 1,620
10. Pacific Coast Field Division Office, San Francisco, California		
Supervising Agent and Department Coördinating Officer West of Rocky Mountains	1	5,600
1. Field Division Office, San Francisco, California		
Special Agent in Charge	1	5,000
Special Agent	11	2,900 to 3.400
Clerk	2	1,800 and 1,980
Clerk-Typist	2	1,440

1. Office of the Commissioner—*Continued*		
32. Office of the Assistant Commissioner—*Continued*		
2. Special Agents and Field Enforcement Division—*Continued*		
10. Pacific Coast Field Division Office—*Continued*		
2. Field Division Office, Los Angeles, California		
Acting Special Agent in Charge	1	4,400
Assistant to Special Agent in Charge	1	3,800
Special Agent	9	2,900 to 3,600
Clerk	1	1,740
Stenographer	2	1,560 and 1,620
3. Field Division Office, Seattle, Washington		
Acting Special Agent in Charge	1	4,600
Special Agent	9	2,600 to 3,300
Stenographer-Typist	2	1,500 and 1,620
Junior Stenographer	1	1,400
11. Field Division Office, Providence, Rhode Island		
Special Agent in Charge	1	5,600
Special Agent	8	2,900 to 3,500
Prohibition Agent	1	2,300
Stenographer	2	1,320 and 1,440
12. Air Patrol, Dallas, Texas		
Special Agent	1	2,900
3. Law Division		
Office of Chief of Division		
Chief Counsel	1	6,400
Assistant to Chief Counsel	1	5,200
Assistant in Charge of Taxes and Penalties	1	5,200
Secretary	3	1,800 to 2,200
Stenographer	2	1,500 and 1,920
Clerk (Pardons and Parole)	1	2,400
Librarian	1	2,100
2. Opinions and Legal Correspondence Section		
Chief of Section	1	5,000
Attorney	3	3,200 to 4,800
Secretary	1	1,920
Stenographer	1	1,740
3. Compromise Section		
Chief of Section	1	3,300
Assistant Chief	1	3,200

1. Office of the Commissioner—*Continued*		
32. Office of the Assistant Commissioner—*Continued*		
3. Law Division—*Continued*		
3. Compromise Section—*Continued*		
Attorney	6	2,600 to 2,700
Stenographer	9	1,500 to 1,740
Secretary	1	1,680
Clerk	6	1,440 to 2,100
4. Tax Liability Section		
Clerk in Charge	1	2,600
Assessment Clerk	3	2,000 to 2,500
5. Bond Section		
Chief of Section	1	3,300
Stenographer-Typist	1	1,740
Clerk	1	1,560
6. Narcotic Legal Section		
Chief of Section	1	3,200
Assistant Chief	1	2,700
Case Clerk	15	1,800 to 2,400
Stenographer	6	1,440 to 1,920
Secretary	1	1,620
Clerk	1	1,500
33. Office of Deputy Commissioner		
1. Immediate Office of Deputy Commissioner		
Deputy Commissioner	1	[17]
Secretary	1	[17]
2. Administrative Division		
1. Immediate Office of Chief Clerk and Head of Division		
Acting Chief Clerk	1	4,600
Assistant to Chief Clerk	1	2,300
Secretary	1	2,040
Stenographer	1	1,800
2. Accounts and Supplies Section		
1. Office of Chief of Section		
Chief of Section	1	3,700
Assistant Chief	1	2,900
Secretary	1	1,620
2. Bookkeeping Subsection		
Chief of Subsection	1	2,200
Allotment Control Clerk	1	1,800
Bookkeeper	1	1,860
Assistant Bookkeeper	2	1,680
3. Audit Subsection		
Chief of Subsection	1	3,200
Assistant Chief	1	2,400

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[17] Vacancy.

1. Office of the Commissioner—*Continued*		
33. Office of Deputy Commissioner—*Continued*		
2. Administrative Division—*Continued*		
2. Accounts and Supplies Section—*Continued*		
3. Audit Subsection—*Continued*		
Claims Examiner	1	2,000
Suspension Clerk	1	2,000
Clerk	10	1,680 to 2,100
Clerk-Typist	2	1,440 and 1,740
Comptometer Operator	1	1,740
Stenographer	2	1,440
4. Space, Supplies and Equipment Subsection		
Chief of Subsection	1	2,600
Assistant Chief	1	2,300
Clerk	13	1,440 to 2,400
Laborer	1	1,140
3. Personnel Section		
1. Office of Chief of Section		
Chief of Section	1	3,500
Assistant Chief	1	2,600
Secretary	1	1,680
2. Classification and Efficiency Ratings Subsection		
Clerk in Charge	1	2,300
Assistant	1	2,000
Stenographer-Clerk	1	1,620
3. Personnel Changes Subsection		
Clerk in Charge	1	2,300
Informers Clerk	1	1,800
Correspondence Clerk	5	1,800
Recording and Statistical Clerk	2	1,680
Clerk	1	1,740
Stenographer-Clerk	2	1,440 and 1,500
4. Discipline, Retirement and Compensation Subsection		
Clerk	1	2,300
5. Time Records and Payrolls Subsection		
Clerk	2	1,740 and 1,860
6. Issuance of Commissions and Badges Subsection		
Credential Clerk	1	1,740
7. Files Subsection		
Clerk in Charge	1	1,680
Assistant File Clerk	1	1,440

1. Office of the Commissioner—*Continued*		
33. Office of Deputy Commissioner—*Continued*		
2. Administrative Division—*Continued*		
4. Reports and Statistics Section		
Chief of Section	1	2,300
Assistant Chief	1	1,860
Clerk	2	1,500 and 1,920
Draftsman	1	1,800
Clerk-Typist	2	1,500 and 1,740
Secretary	1	1,620
Examiner	10	1,620 to 1,920
5. Mails and Files Section		
1. Office of Chief of Section		
Chief of Section	1	2,300
Assistant Chief	1	1,860
Clerk-Typist	1	1,560
2. Mail Control Subsection		
Clerk in Charge	1	1,740
Mail Clerk	1	1,560
File Clerk	1	1,380
3. General Administrative, Technical and Miscellaneous Files Subsection		
Clerk in Charge	1	1,620
Classifier	1	1,500
4. Legal Files Subsection		
Clerk in Charge	1	1,620
Special Searcher	1	1,680
Classifier and Indexer	1	1,440
Index Searcher	1	1,500
File Clerk	1	1,440
5. Narcotic Files Subsection		
Classifier and Searcher	1	1,740
Clerk in Charge	1	1,620
Searcher and File Clerk	1	1,380
6. Semi-Active Files Subsection		
File Clerk	1	1,260
7. Mail Carriers Subsection		
Messenger	2	1,200 and 1,440
6. Messengers Section		
Messenger	10	1,140 to 1,500
3. Technical Division		
1 Office of Chief of Division		
Head of Division	1	5,600
Assistant Head	1	4,600
Secretary	1	1,860

1. Office of the Commissioner—*Continued*
  33. Office of Deputy Commissioner—*Continued*
    3. Technical Division—*Continued*

2. Laboratory				
Chemist in Charge	1			4,800
Chemist	1			4,600
Associate Chemist	5	3,300	to	3,400
Assistant Chemist	2	2,800	and	2,900
Junior Chemist	1			2,000
Clerk	2	1,800	and	2,100
Secretary	1			1,920
Typist	1			1,560
Messenger	1			1,380
Laborer	1			1,320
3. Bonded Spirits Section				
Head of Section	1			3,300
Assistant Head	1			2,600
Auditor	8	1,680	to	2,200
Examiner	6	1,920	to	2,400
Secretary	1			1,620
Typist	1			1,740
Comptometer Operator	1			1,560
4. Industrial Alcohol Section				
Chemist	1			4,600
Senior Clerk	2	2,000	and	2,400
Clerk (Distillery Construction)	1			2,100
Clerk (Taxfree Alcohol)	2	1,860	and	2,100
Correspondence Clerk	2	1,860	and	2,100
Clerk	2	1,680	and	1,740
Secretary	1			1,620
5. Denatured Alcohol and Wine Section				
Head of Section	1			3,300
Assistant Head	1			2,600
Auditor	10	1,620	to	2,100
Correspondence Clerk	1			1,920
Claim Examiner	1			1,860
Secretary	1			1,620
Stenographer	1			1,440
6. Special Non-beverage Section				
Head of Section	1			4,800
Clerk	1			2,100
Stenographer	1			1,680
Clerk	1			1,560

1. Office of the Commissioner—*Continued*

34. Office of Deputy Commissioner in Charge of Narcotic Division		
1. Immediate Office of Deputy Commissioner		
Deputy Commissioner	1	6,200
Assistant Deputy Commissioner	1	4,800
Legal Advisor	1	3,300
Secretary	2	1,920 and 2,100
Stenographer	2	1,800 and 1,920
Messenger	2	1,440 and 1,500
2. Returns Section		
1. Office of Head of Section		
Head of Section	1	3,200
Assistant Head	1	2,500
Secretary	1	1,680
Stenographer	1	1,440
2. Audit Subsection		
Chief of Subsection	1	1,800
Auditor	6	1,680 to 1,920
Comptometer Operator	4	1,440 to 1,740
Audit Clerk	3	1,620 to 1,740
Stenographer	2	1,440 and 1,500
Typist	2	1,440 and 1,560
3. Records and Statistics Subsection		
Examiner	1	1,800
Abstract Clerk	1	1,740
File Clerk	1	1,740
Statistical Clerk	2	1,500 and 1,560
Record Clerk	1	1,500
Stenographer	1	1,500
4. Abstract Subsection		
Clerk	9	1,500 to 1,740
File Clerk	1	1,260
3. Special Force		
Field Office Inspector	1	3,800
Narcotic Agent	5	2,400 to 3,500
Narcotic Inspector	4	2,400 to 3,500
Junior Chemist	1	2,600
Under-Mechanic	1	1,440
Clerk (Field Division)	1	1,500
4. Boston Field Division, Headquarters Boston, Massachusetts[18]		
Narcotic Agent in Charge	1	4,600
Narcotic Inspector	4	2,400 to 3,000

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[18] For area included in each field division, see page 171.

1. Office of the Commissioner—*Continued*				
34. Office of Deputy Commissioner in Charge of Narcotic Division—*Continued*				
4. Boston Field Division—*Continued*				
Narcotic Agent	8	2,300	to	2,900
Stenographer-Clerk	2	1,620	and	1,920
5. New York Field Division, Headquarters New York, New York				
Narcotic Agent in Charge	1			5,200
Narcotic Inspector	6	2,300	to	2,500
Narcotic Agent	30	2,300	to	3,500
Clerk-Stenographer	2	1,440	and	1,980
Stenographer-Typist	2	1,260	and	1,740
6. Philadelphia Field Division, Headquarters Philadelphia, Pennsylvania				
Narcotic Agent in Charge	1			4,800
Narcotic Inspector	3	2,400	to	3,100
Narcotic Agent	14	2,300	to	3,100
Stenographer	1			1,800
Clerk-Typist	1			1,500
7. Baltimore Field Division, Headquarters Baltimore, Maryland				
Narcotic Agent in Charge	1			4,800
Narcotic Inspector	2	2,300	and	2,600
Narcotic Agent	11	2,300	to	3,100
Stenographer-Clerk	1			2,300
Stenographer-Typist	1			1,500
8. Jacksonville Field Division, Headquarters Jacksonville, Florida				
Narcotic Agent in Charge	1			4,600
Narcotic Inspector	10	2,300	to	2,500
Narcotic Agent	10	2,300	to	3,500
Stenographer	3	1,440	to	1,980
9. Nashville Field Division, Headquarters Nashville, Tennessee				
Narcotic Agent in Charge	1			4,800
Narcotic Inspector	6	2,400	to	2,900
Narcotic Agent	10	2,300	to	3,500
Clerk-Stenographer	1			1,920
Stenographer	2	1,440	and	1,560
10. Detroit Field Division, Headquarters Detroit, Michigan				
Narcotic Agent in Charge	1			5,000
Narcotic Agent	16	2,300	to	3,500
Stenographer-Typist	4	1,440	to	1,680

1. Office of the Commissioner—*Continued*

34. Office of Deputy Commissioner in Charge of Narcotic Division—*Continued*

11. Chicago Field Division, Headquarters Chicago, Illinois

Narcotic Agent in Charge	1			5,200
Legal Advisor	1			3,600
Narcotic Inspector	8	2,300	to	3,000
Narcotic Agent	17	2,300	to	3,700
Clerk	1			1,920
Stenographer-Typist	2	1,440	and	1,500
Stenographer-Clerk	1			1,620

12. Minneapolis Field Division, Headquarters Minneapolis, Minnesota

Narcotic Agent in Charge	1			4,600
Narcotic Inspector	5	2,300	to	2,900
Narcotic Agent	5	2,300	to	2,900
Stenographer-Clerk	1			1,800
Typist	1			1,800

13. Kansas City Field Division, Headquarters Kansas City, Missouri

Narcotic Agent in Charge	1			5,000
Narcotic Inspector	2	2,300	and	2,500
Narcotic Agent	10	2,300	to	3,100
Stenographer-Typist	3	1,620	to	1,860

14. San Antonio Field Division, Headquarters San Antonio, Texas

Narcotic Agent in Charge	1			4,600
Narcotic Inspector	5	2,300	to	2,900
Narcotic Agent	8	2,300	to	2,500
Stenographer-Typist	1			1,800
Clerk-Stenographer	1			1,620
Clerk-Typist	1			1,260

15. Denver Field Division, Headquarters Denver, Colorado

Narcotic Agent in Charge	1			4,600
Narcotic Inspector	4	2,300	to	2,500
Narcotic Agent	4	2,500	to	2,600
Stenographer-Typist	1			1,740
Clerk-Stenographer	1			1,440

16. Seattle Field Division, Headquarters Seattle, Washington

Narcotic Agent in Charge	1			4,600
Narcotic Inspector	1			2,300
Narcotic Agent	11	2,400	to	2,600
Stenographer-Typist	1			1,680
Stenographer	1			1,440

1. Office of the Commissioner—*Continued*
  34. Office of Deputy Commissioner in Charge of Narcotic Division—*Continued*
    17. San Francisco Field Division, Headquarters San Francisco, California

Narcotic Agent in Charge	1			4,800
Narcotic Inspector	2	2,400	and	2,500
Narcotic Agent	13	2,300	to	3,100
Clerk	1			1,920
Stenographer	1			1,440
Stenographer-Typist	1			1,440

    18. Hawaii Field Division, Headquarters Honolulu, Hawaii

Narcotic Agent in Charge	1			4,600
Narcotic Agent	5	2,300	to	2,900
Stenographer	1			1,740

APPENDIX 2

CLASSIFICATION OF ACTIVITIES

Explanatory Note

The Classifications of Activities in this series have for their purpose to list and classify in all practicable details the specific activities engaged in by the several services of the national government. Such statements are of value from a number of standpoints. They furnish, in the first place, the most effective showing that can be made in brief compass of the character of work performed by the service to which they relate. Secondly, they lay the basis for a system of accounting and reporting that will permit the showing of total expenditures classified according to activities. Finally, taken collectively, they make possible the preparation of a general or consolidated statement of the activities of the government as a whole. Such a statement will reveal in detail, not only what the government is doing, but the services in which the work is being performed. It is hardly necessary to point out the value of such information in planning for future work and in considering the problem of the better distribution and coördination of the work of the government. The Institute contemplates attempting such a general listing and classification of the activities of the government upon the completion of the present series.

Classification of Activities

1. Enforcement of National Prohibition Act
    1. Suppression of illegal traffic in alcoholic liquor
    2. Control of legal manufacture and storage of alcoholic liquor
    3. Licensing of legal traffic in alcoholic liquor
    4. Control of industrial alcohol
2. Control over Narcotics
3. Assessment of Taxes and Penalties
4. Chemical Researches
5. Collection of Statistics

APPENDIX 3

PUBLICATIONS

The publication of the Bureau of Prohibition may be classified as follows:

1. Annual report
2. Regulations
3. Decisions and rulings
4. Miscellaneous

Annual Report. The annual report contains a review of the work of the Bureau during the year, administrative statistics, and figures dealing with the production and movement of alcoholic liquor, industrial alcohol, and narcotic drugs. It is a continuation of the same material which formerly constituted a part of the report of the Commissioner of Internal Revenue.

Regulations. The regulations are published in pamphlet form for the use of officers of the Bureau and for the information and guidance of persons holding permits. The following had been issued up to the end of 1928:

1. Field office manual for use of prohibition administrators
2. Relating to permits as provided in Title II, National Prohibition Act for the manufacture and traffic in intoxicating liquors for non-beverage purposes
3. Relative to the production, tax payments, etc., of industrial alcohol and to the manufacture, sale, and use of denatured alcohol under Title III of the National Prohibition Act of October 28, 1919
   Appendix, Formulae for completely and specially denatured alcohol
4. Manual of instructions for officers and agents in the field
5. Relating to the importation, manufacture, production compounding, sale, dispensing and giving away of opium or coca leaves their salts, derivatives or preparations thereof under the act of December 17, 1914, as amended by sections 703 and 704 of the Revenue Act of 1926, the act of January 22, 1927, and the act of March 3, 1927, and under section 705 of the Revenue Act of 1926. Internal

Revenue-Prohibition Narcotics Regulations. Joint narcotic regulations made by the Commissioner of Internal Revenue and the Commissioner of Prohibition with the approval of the Secretary of the Treasury

6. Bottling of distilled spirits in bond under the acts of March 3, 1897, and February 17, 1922

Regulations 1 and 4 are for administrative use of officers of the Bureau, and are not of interest to permittees.

Amendments to the regulations are published in the weekly Treasury Decisions, described below.

Decisions and Rulings. All amendments to regulations and orders of general interest are published in the periodical issued weekly by the Treasury Department entitled "Treasury Decisions under the customs, internal revenue, prohibition, and other laws." The greater part of this publication is devoted to matters other than those relating to prohibition, as only forty-three prohibition decisions were included from the establishment of the Bureau on April 1, 1927, to the end of 1928.

The decisions in this publication are in three separately numbered series relating to customs, internal revenue, and prohibition. Prior to the creation of the Bureau of Prohibition there were only two series—customs and internal revenues—and all decisions dealing with prohibition were in the series relating to internal revenue.

Separate annual volumes are issued containing the decisions under the customs laws and under the internal revenue laws. Rulings on prohibition matters prior to April 1, 1927, will be found in the annual volume entitled "Treasury decisions under the internal revenue laws." The prohibition decisions since April 1, 1927, have not been assembled in volume form, doubtless because there are not enough to make a volume. Therefore, these rulings may be found only in the weekly Treasury Decisions.

Miscellaneous. The miscellaneous publications are not issued in a series under that designation, but appear under separate titles. They include such material as the Bureau may deem it advisable to publish. Under this classification fall the annual pamphlets entitled " Statistics concerning intoxicating liquors " and " Traffic in opium and other dangerous drugs."

The data in " Statistics concerning intoxicating liquors " are of the same general character as those in the Annual Report, but are in more detail and cover a longer period.

In the pamphlet entitled " Traffic in opium and other dangerous drugs " more details are given regarding seizures than in the annual report, but there is less material on strictly administrative problems.

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(B) Compilation of Laws

This compilation includes only the laws passed since the adoption of the Prohibition Amendment and in addition the earlier statutes still in force relating to denatured alcohol, narcotics, and taxes and civil penalties.

The earlier statutes regulating in detail the production of alcoholic liquor and the collection of taxes have not been specifically repealed, and many of them may be invoked, although some are no longer in force.[1] All the laws are assembled in the volume entitled "Internal Revenue Laws in force April, 1927," pp. 55-139.

In all the laws the specific powers and duties are conferred on the Commissioner of Internal Revenue. This wording has not been changed, but the act of March 3, 1927 (44 Stat. L., 1381), transfers all such authority to the Secretary of the Treasury, and authorizes him to delegate it to the Commissioner of Prohibition or the Commissioner of Internal Revenue. This delegation was made by the Secretary's order of April 1, 1927. Therefore, in all the acts quoted in this compilation, the term " Secretary of the Treasury " might be substituted for " Commissioner of Internal Revenue," although the powers are actually exercised by the Commissioner of Prohibition by virtue of an authorized delegation to him. This delegation may be revoked at any time by the Secretary of the Treasury, and it would, therefore, not be entirely correct to substitute " Commissioner of Prohibition " for " Commissioner of Internal Revenue " in the law.

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[1] See United States v. Yuginovich, 256 U. S. 464.

Prohibition

1919—Eighteenth Amendment to the Constitution (40 Stat. L., 1941)—Proposed to the states by Congress, December 3, 1917. Certified by the Secretary of State as having been ratified by three-fourths of the states, January 29, 1919.

Section 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Sec. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

Sec. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress.

1919—Act of October 28, 1919 (41 Stat. L., 305)—An Act To prohibit intoxicating beverages, and to regulate the manufacture, production, use, and sale of high-proof spirits for other than beverage purposes, and to insure an ample supply of alcohol and promote its use in scientific research and in the development of fuel, dye, and other lawful industries.[2]

That the short title of this act shall be the " national prohibition act."

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[2] Generally known as the Volstead Act.

Title I

TO PROVIDE FOR THE ENFORCEMENT OF WAR PROHIBITION

The term "war prohibition act" used in this act shall mean the provisions of any act or acts prohibiting the sale and manufacture of intoxicating liquors until the conclusion of the present war and thereafter until the termination of demobilization, the date of which shall be determined and proclaimed by the President of the United States. The words "beer, wine, or other intoxicating malt or vinous liquors" in the war prohibition act shall be hereafter construed to mean any such beverages which contain one-half of 1 per centum or more of alcohol by volume: *Provided,* That the foregoing definition shall not extend to dealcoholized wine nor to any beverage or liquid produced by the process by which beer, ale, porter or wine is produced, if it contains less than one-half of 1 per centum of alcohol by volume, and is made as prescribed in section 37 of Title II of this act, and is otherwise denominated than as beer, ale, or porter, and is contained and sold in, or from, such sealed and labeled bottles, casks, or containers as the commissioner may by regulation prescribe.

Sec. 2. The Commissioner of Internal Revenue, his assistants, agents, and inspectors, shall investigate and report violations of the war prohibition act to the United States attorney for the district in which committed, who shall be charged with the duty of prosecuting, subject to the direction of the Attorney General, the offenders as in the case of other offenses against laws of the United States; and such Commissioner of Internal Revenue, his assistants, agents, and inspectors may swear out warrants before United States commissioners or other officers or courts authorized to issue the same for the apprehension of such offenders, and may, subject to the control of the said United States attorney, conduct the prosecution at the committing trial for the purpose of having the offenders held for the action of a grand jury.

Sec. 3. Any room, house, building, boat, vehicle, structure, or place of any kind where intoxicating liquor is sold, manufactured, kept for sale, or bartered in violation of the war prohibition act, and all intoxicating liquor and all property kept and used in maintaining such a place, is hereby declared to be a public and common nuisance, and any person who maintains or assists in maintaining such public and common nuisance shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not less than $100 nor more than $1,000, or be imprisoned for not less than thirty days or more than one year, or both. If a person has knowledge that his property is occupied or used in violation of the provisions of the war prohibition act and suffers the same to be so used, such property shall be subject to a lien for, and may be sold to pay, all fines and costs assessed against the occupant of such building or property for any violation of the war prohibition act occurring after the passage hereof, which said lien shall attach from the time of the filing of notice of the commencement of the suit in the office where the records of the transfer of real estate are kept; and any such lien may be established and enforced by legal action instituted for that purpose in any court having jurisdiction. Any violation of this title upon any leased premises by the lessee or occupant thereof shall, at the option of the lessor, work a forfeiture of the lease.

Sec. 4. The United States attorney for the district where such nuisance as is defined in this act exists, or any officer designated by him or the Attorney General of the United States, may prosecute a suit in equity in the name of the United States to abate and enjoin the same. Actions in equity to enjoin and abate such nuisances may be brought in any court having jurisdiction to hear and determine equity causes. The jurisdiction of the courts of the United States under this section shall be concurrent with that of the courts of the several States.

If it be made to appear by affidavit or other evidence under oath, to the satisfaction of the court, or judge in vacation, that the nuisance complained of exists, a temporary writ of injunction shall forthwith issue restraining the defendant or defendants from conducting or permitting the continuance of such nuisance until the conclusion of the trial. Where a temporary injunction is prayed for, the court may issue an order restraining the defendants and all other persons from removing or in any way interfering with the liquor or fixtures, or other things used in connection with the violation constituting the nuisance. No bond shall be required as a condition for making any order or issuing any writ of injunction under this act. If the court shall find the property involved was being unlawfully used as aforesaid at or about the time alleged in the petition, the court shall order that no liquors shall be manufactured, sold, bartered, or stored in such room, house, building, boat, vehicle, structure or places of any kind, for a period of not exceeding one year, or during the war and the period of demobilization. Whenever an action to enjoin a nuisance shall have been brought pursuant to the provisions of this act if the owner, lessee, tenant, or occupant appears and pays all costs of the proceedings and files a bond, with sureties to be approved by the clerk of the court in which the action is brought, in the liquidated sum of not less than $500 nor more than $1,000, conditioned that he will immediately abate said nuisance and prevent the same from being established or kept therein a period of one year thereafter, or during the war and period of demobilization, the court, or in vacation the judge, may, if satisfied of his good faith, direct by appropriate order that the property, if already closed or held under the order of abatement be delivered to said owner, and said order of abatement canceled, so far as the same may relate to said property; or if said bond be given and costs therein paid before judgment on an order of abatement, the action shall be thereby abated as to said room, house, building, boat, vehicle, structure, or place only. The release of the property under the provisions of this section shall not release it from any judgment, lien, penalty, or liability to which it may be subject by law.

In the case of the violation of any injunction, temporary or permanent, granted pursuant to the provisions of this title, the court, or in vacation a judge thereof, may summarily try and punish the defendant. The proceedings for punishment for contempt shall be commenced by filing with the clerk of the court from which such injunction issued information under oath setting out the alleged facts constituting the violation, whereupon the court or judge shall forthwith cause a warrant to issue under which the defendant shall be arrested. The trial may be had upon affidavits, or either party may demand the production and oral examination of the witnesses. Any person found guilty of contempt under the provisions of this section shall be punished by a fine of not less than $500 nor more than $1,000, or by imprisonment of not less than thirty days nor more than twelve months, or by both fine and imprisonment.

Sec. 5. The Commissioner of Internal Revenue, his assistants, agents, and inspectors, and all other officers of the United States whose duty it is to enforce criminal laws, shall have all the power for the enforcement of the war prohibition act or any provisions thereof which is conferred by law for the enforcement of existing laws relating to the manufacture or sale of intoxicating liquors under the laws of the United States.

Sec. 6. If any section or provision of this act shall be held to be invalid, it is hereby provided that all other provisions of this act which are not expressly held to be invalid shall continue in full force and effect.

Sec. 7. None of the provisions of this act shall be construed to repeal any of the provisions of the " war prohibition act," or to limit or annul any order or regulation prohibiting the manufacture, sale, or disposition of intoxicating liquors within certain prescribed zones or districts, nor shall the provisions of this act be construed to prohibit the use of the power of the military or naval authorities to enforce the regulations of the President or Secretary of War or Navy issued in pursuance of law, prohibiting the manufacture, use, possession, sale, or other disposition of intoxicating liquors during the period of the war and demobilization thereafter.

Title II

PROHIBITION OF INTOXICATING BEVERAGES

Section 1. When used in Title II and Title III of this act (1) the word " liquor " or the phrase " intoxicating liquor " shall be construed to include alcohol, brandy, whisky, rum, gin, beer, ale, porter, and wine, and in addition thereto any spirituous, vinous, malt, or fermented liquor, liquids, and compounds, whether medicated, proprietary, patented, or not, and by whatever name called, containing one-half of 1 per centum or more of alcohol by volume which are fit for use for beverage purposes: *Provided,* That the foregoing definition shall not extend to dealcoholized wine nor to any beverage or liquid produced by the process by which beer, ale, porter, or wine is produced, if it contains less than one-half of 1 per centum of alcohol by volume, and is made as prescribed in section 37 of this title, and is otherwise denominated than as beer, ale, or porter, and is contained and sold in, or from, such sealed and labeled bottles, casks, or containers as the commissioner may by regulation prescribe.

(2) The word " person " shall mean and include natural persons, associations, copartnerships, and corporations.

(3) The word " commissioner " shall mean Commissioner of Internal Revenue.

(4) The term " application " shall mean a formal written request supported by a verified statement of facts showing that the Commissioner may grant the request.

(5) The term " permit " shall mean a formal written authorization by the commissioner setting forth specifically therein the things that are authorized.

(6) The term " bond " shall mean an obligation authorized or required by or under this act or any regulation executed in such form and for such a penal sum as may be required by a court, the commissioner, or prescribed by regulation.

(7) The term " regulation " shall mean any regulation prescribed by the commissioner with the approval of the Secretary of the Treasury for carrying out the provisions of this act, and the commissioner is authorized to make such regulations.

Any act authorized to be done by the commissioner may be performed by any assistant or agent designated by him for that purpose. Records required to be filed with the commissioner may be filed with an assistant commissioner or other person designated by the commissioner to receive such records.

SEC. 2. The Commissioner of Internal Revenue, his assistants, agents, and inspectors shall investigate and report violations of this act to the United States attorney for the district in which committed, who is hereby charged with the duty of prosecuting the offenders, subject to the direction of the Attorney General, as in the case of other offenses against the laws of the United States; and such Commissioner of Internal Revenue, his assistants, agents, and inspectors may swear out warrants before United States commissioners or other officers or courts authorized to issue the same for the apprehension of such offenders, and may, subject to the control of the said United States attorney, conduct the prosecution at the committing trial for the purpose of having the offenders held for the action of a grand jury. Section 1014 of the Revised Statutes of the United States is hereby made applicable in the enforcement of this act. Officers mentioned in said section 1014 are authorized to issue search warrants under the limitations provided in Title XI of the act approved June 15, 1917 (Fortieth Statutes at Large, page 217, *et seq.*).

Sec. 3. No person shall on or after the date when the eighteenth amendment to the Constitution of the United States goes into effect, manufacture, sell, barter, transport, import, export, deliver, furnish, or possess any intoxicating liquor except as authorized in this act, and all the provisions of this act shall be liberally construed to the end that the use of intoxicating liquor as a beverage may be prevented.

Liquor for nonbeverage purposes and wines for sacramental purposes may be manufactured, purchased, sold, bartered, transported, imported, exported, delivered, furnished and possessed, but only as herein provided, and the commissioner may, upon application, issue permits therefor: *Provided,* That nothing in this act shall prohibit the purchase and sale of warehouse receipts covering distilled spirits on deposit in Government bonded warehouses, and no special tax liability shall attach to the business of purchasing and selling such warehouse receipts.

Sec. 4. The articles enumerated in this section shall not, after having been manufactured and prepared for the market, be subject to the provisions of this act if they correspond with the following descriptions and limitations, namely:

(a) Denatured alcohol or denatured rum produced and used as provided by laws and regulations now or hereafter in force.

(b) Medicinal preparations manufactured in accordance with formulas prescribed by the United States Pharmacopœia, National Formulary or the American Institute of Homeopathy that are unfit for use for beverage purposes.

(c) Patented, patent, and proprietary medicines that are unfit for use for beverage purposes.

(d) Toilet, medicinal, and antiseptic preparations and solutions that are unfit for use for beverage purposes.

(e) Flavoring extracts and sirups that are unfit for use as a beverage, or for intoxicating beverage purposes.

(f) Vinegar and preserved sweet cider.

A person who manufactures any of the articles mentioned in this section may purchase and possess liquor for that purpose, but he shall secure permits to manufacture such articles and to purchase such liquor, give the bonds, keep the records, and make the report specified in this act and as directed by the commissioner. No such manufacturer shall sell, use, or dispose of any liquor otherwise than as an ingredient of the articles authorized to be manufactured therefrom. No more alcohol shall be used in the manufacture of any extract, sirup, or the articles named in paragraphs b, c, and d of this section which may be used for beverage purposes than the quantity necessary for extraction or solution of the elements contained therein and for the preservation of the article.

Any person who shall knowingly sell any of the articles mentioned in paragraphs a, b, c, and d of this section for beverage purposes, or any extract or sirup for intoxicating beverage purposes, or who shall sell any of the same under circumstances from which the seller might reasonably deduce the intention of the purchaser to use them for such purposes, or shall sell any beverage containing one-half of 1 per centum or more of alcohol by volume in which any extract, sirup, or other article is used as an ingredient, shall be subject to the penalties provided in section 29 of this title. If the commissioner shall find, after notice and hearing as provided for in section 5 of this title, that any person has sold any flavoring extract, sirup, or beverage in violation of this paragraph, he shall notify such person, and any known principal for whom the sale was made, to desist from selling such article; and it shall thereupon be unlawful for a period of one year thereafter for any person so notified to sell any such extract, sirup, or beverage without making an application for, giving a bond, and obtaining a permit so to do, which permit may be issued upon such conditions as the commissioner may deem necessary to prevent such illegal sales, and in addition the commissioner shall require a record and report of sales.

Sec. 5. Whenever the commissioner has reason to believe that any article mentioned in section 4 does not correspond with the descriptions and limitations therein provided, he shall cause an analysis of said article to be made; and if upon such analysis the commissioner shall find that said article does not so correspond, he shall give not less than fifteen days' notice in writing to the person who is the manufacturer thereof to show cause why said article should not be dealt with as an intoxicating liquor, such notice to be served personally or by registered mail, as the commissioner may determine, and shall specify the time when, the place where, and the name of the agent or official before whom such person is required to appear.

If the manufacturer of said article fails to show to the satisfaction of the commissioner that the article corresponds to the descriptions and limitations provided in section 4 of this title, his permit to manufacture and sell such article shall be revoked. The manufacturer may by appropriate proceeding in a court of equity have the action of the commissioner reviewed, and the court may affirm, modify, or reverse the finding of the commissioner as the facts and law of the case may warrant, and during the pendency of such proceedings may restrain the manufacture, sale, or other disposition of such article.

Sec. 6. No one shall manufacture, sell, purchase, transport, or prescribe any liquor without first obtaining a permit from the commissioner so to do, except that a person may, without a permit, purchase and use liquor for medicinal purposes when prescribed by a physician as herein provided, and except that any person who in the opinion of the commissioner is conducting a bona fide hospital or sanatorium engaged in the treatment of persons suffering from alcoholism, may, under such rules, regulations, and conditions as the commissioner shall prescribe purchase and use, in accordance with the methods in use in such institution, liquor, to be administered to the patients of such institution under the direction of a duly qualified physician employed by such institution.

All permits to manufacture, prescribe, sell, or transport liquor, may be issued for one year and shall expire on the 31st day of December next succeeding the issuance thereof: *Provided,* That the commissioner may without formal application or new bond extend any permit granted under this act or laws now in force after August 31 in any year to December 31 of the succeeding year: *Provided further,* That permits to purchase liquor for the purpose of manufacturing or selling as provided in this act shall not be in force to exceed ninety days from the day of issuance. A permit to purchase liquor for any other purpose shall not be in force to exceed thirty days. Permits to purchase liquor shall specify the quantity and kind to be purchased and the purpose for which it is to be used. No permit shall be issued to any person who within one year prior to the application therefor or issuance thereof shall have violated the terms of any permit issued under this title or any law of the United States or of any State regulating liquor traffic. No permit shall be issued to anyone to sell liquor at retail unless the sale is to be made through a pharmacist designated in the permit and duly licensed under the laws of his State to compound and dispense medicine prescribed by a duly licensed physician. No one shall be given a permit to prescribe liquor unless he is a physician duly licensed to practice medicine and actively engaged in the practice of such profession. Every permit shall be in writing, dated when issued, and signed by the commissioner or his authorized agent. It shall give the name and address of the person to whom it is issued and shall designate and limit the acts that are permitted and the time when and place where such acts may be performed. No permit shall be issued until a verified, written application shall have been made therefor, setting forth the qualification of the applicant and the purpose for which the liquor is to be used.

The commissioner may prescribe the form of all permits and applications and the facts to be set forth therein. Before any permit is granted the commissioner may require a bond in such form and amount as he may prescribe to insure compliance with the terms of the permit and the provisions of this title. In the event of the refusal by the commissioner of any application for a permit, the applicant may have a review of his decision before a court of equity in the manner provided in section 5 hereof.

Nothing in this title shall be held to apply to the manufacture, sale, transportation, importation, possession, or distribution of wine for sacramental purposes or like religious rites, except section 6 (save as the same requires a permit to purchase) and section 10 hereof, and the provisions of this act prescribing penalties for the violation of either of said sections. No person to whom a permit may be issued to manufacture, transport, import, or sell wines for sacramental purposes or like religious rites, shall sell, barter, exchange, or furnish any such person not a rabbi, minister of the gospel, priest, or an officer duly authorized for the purpose by any church or congregation, nor to any such extent upon an application duly subscribed by him, which application, authenticated as regulations may prescribe, shall be filed and preserved by the seller. The head of any conference or diocese or other ecclesiastical jurisdiction may designate any rabbi, minister, or priest to supervise the manufacture of wine to be used for the purpose and rites in this section mentioned, and the person so designated may, in the discretion of the commissioner, be granted a permit to supervise such manufacture.

SEC. 7. No one but a physician holding a permit to prescribe liquor shall issue any prescription for liquor. And no physician shall prescribe liquor unless after careful physical examination of the person for whose use such prescription is sought, or if such examination is found impracticable, then upon the best information obtainable, he in good faith believes that the use of such liquor as a medicine by such person is necessary and will afford relief to him from some known ailment. Not more than a pint of spirituous liquor to be taken internally shall be prescribed for use by the same person within any period of ten days and no prescription shall be filled more than once. Any pharmacist filling a prescription shall at the time indorse upon it over his own signature the word "canceled," together with the date when the liquor was delivered, and then make the same a part of the record that he is required to keep as herein provided.

Every physician who issues a prescription for liquor shall keep a record, alphabetically arranged in a book prescribed by the commissioner, which shall show the date of issue, amount prescribed, to whom issued, the purpose or ailment for which it is to be used and directions for use, stating the amount and frequency of the dose.

SEC. 8. The commissioner shall cause to be printed blanks for the prescriptions herein required, and he shall furnish the same, free of cost, to physicians holding permits to prescribe. The prescription blanks shall be printed in book form and shall be numbered consecutively from one to one hundred, and each book shall be given a number, and the stubs in each book shall carry the same numbers as and be copies of the prescriptions. The books containing such stubs shall be returned to the commissioner when the prescription blanks have been used, or sooner, if directed by the commissioner. All unused, mutilated, or defaced blanks shall be returned with the book. No physician shall prescribe and no pharmacist shall fill any prescription for liquor except on blanks so provided, except in cases of emergency, in which event a record and report shall be made and kept as in other cases.

Sec. 9. If at any time there shall be filed with the commissioner a complaint under oath setting forth facts showing, or if the commissioner has reason to believe, that any person who has a permit is not in good faith conforming to the provisions of this act, or has violated the laws of any State relating to intoxicating liquor, the commissioner or his agent shall immediately issue an order citing such person to appear before him on a day not more than thirty and not less than fifteen days from the date of service upon such permittee of a copy of the citation, which citation shall be accompanied by a copy of such complaint, or in the event that the proceedings be initiated by the commissioner with a statement of the facts constituting the violation charged, at which time a hearing shall be had unless continued for a cause. Such hearing shall be held within the judicial district and within fifty miles of the place where the offense is alleged to have occurred, unless the parties agree on another place. If it be found that such person has been guilty of willfully violating any such laws, as charged, or has not in good faith conformed to the provisions of this act, such permit shall be revoked, and no permit shall be granted to such person within one year thereafter. Should the permit be revoked by the commissioner, the permittee may have a review of his decision before a court of equity in the manner provided in section 5 hereof. During the pendency of such action such permit shall be temporarily revoked.

Sec. 10. No person shall manufacture, purchase for sale, sell, or transport any liquor without making at the time a permanent record thereof showing in detail the amount and kind of liquor manufactured, purchased, sold, or transported, together with the names and addresses of the persons to whom sold, in case of sale, and the consignor and consignee in case of transportation, and the time and place of such manufacture, sale, or transportation. The commissioner may prescribe the form of such record, which shall at all times be open to inspection as in this act provided.

Sec. 11. All manufacturers and wholesalers or retail druggists shall keep as a part of the records required of them a copy of all permits to purchase on which a sale of any liquor is made, and no manufacturer or wholesale druggist shall sell or otherwise dispose of any liquor except at wholesale and only to persons having permits to purchase in such quantities.

Sec. 12. All persons manufacturing liquor for sale under the provisions of this title shall securely and permanently attach to every container thereof, as the same is manufactured, a label stating name of manufacturer, kind and quantity of liquor contained therein, and the date of its manufacture, together with the number of the permit authorizing the manufacture thereof; and all persons possessing such liquor in wholesale quantities shall securely keep and maintain such label thereon; and all persons selling at wholesale shall attach to every package of liquor, when sold, a label setting forth the kind and quantity of liquor contained therein, by whom manufactured, the date of sale, and the person to whom sold; which label shall likewise be kept and maintained thereon until the liquor is used for the purpose for which such sale was authorized.

Sec. 13. It shall be the duty of every carrier to make a record at the place of shipment of the receipt of any liquor transported, and he shall deliver liquor only to persons who present to the carrier a verified copy of a permit to purchase, which shall be made a part of the carrier's permanent record at the office from which delivery is made.

The agent of the common carrier is hereby authorized to administer the oath to the consignee in verification of the copy of the permit presented, who, if not personally known to the agent, shall be identified before the delivery of the liquor to him. The name and address of the person identifying the consignee shall be included in the record.

Sec. 14. It shall be unlawful for a person to use or induce any carrier, or any agent or employee thereof, to carry or ship any package or receptacle containing liquor without notifying the carrier of the true nature and character of the shipment. No carrier shall transport nor shall any person receive liquor from a carrier unless there appears on the outside of the package containing such liquor the following information:

Name and address of the consignor or seller, name and address of the consignee, kind and quantity of liquor contained therein, and number of the permit to purchase or ship the same, together with the name and address of the person using the permit.

Sec. 15. It shall be unlawful for any consignee to accept or receive any package containing any liquor upon which appears a statement known to him to be false, or for any carrier or other person to consign, ship, transport, or deliver any such package, knowing such statement to be false.

Sec. 16. It shall be unlawful to give to any carrier or any officer, agent, or person acting or assuming to act for such carrier an order requiring the delivery to any person of any liquor or package containing liquor consigned to, or purporting or claimed to be consigned to a person, when the purpose of the order is to enable any person not an actual bona fide consignee to obtain such liquor.

Sec. 17. It shall be unlawful to advertise anywhere, or by any means or method, liquor, or the manufacture, sale, keeping for sale or furnishing of the same, or where, how, from whom, or at what price the same may be obtained. No one shall permit any sign or billboard containing such advertisement to remain upon one's premises. But nothing herein shall prohibit manufacturers and wholesale druggists holding permits to sell liquor from furnishing price lists, with description of liquor for sale, to persons permitted to purchase liquor, or from advertising alcohol in business publications or trade journals circulating generally among manufacturers of lawful alcoholic perfumes, toilet preparations, flavoring extracts, medicinal preparations, and like articles: *Provided, however,* That nothing in this act or in the act making appropriations for the Post Office Department, aproved March 3, 1917 (Thirty-ninth Statutes at Large, Part 1, page 1058, *et seq.*), shall apply to newspapers published in foreign countries when mailed to this country.

Sec. 18. It shall be unlawful to advertise, manufacture, sell, or possess for sale any utensil, contrivance, machine, preparation, compound, tablet, substance, formula direction, or recipe advertised, designed, or intended for use in the unlawful manufacture of intoxicating liquor.

Sec. 19. No person shall solicit or receive, nor knowingly permit his employee to solicit or receive, from any person any order for liquor or give any information of how liquor may be obtained in violation of this act.

Sec. 20. Any person who shall be injured in person, property, means of support, or otherwise by any intoxicated person, or by reason of the intoxication of any person, whether resulting in his death or not, shall have a right of action against any person who shall, by unlawfully selling to or unlawfully assisting in procuring liquor for such intoxicated persons, have caused or contributed to such intoxication, and in any such action such person shall have a right to recover actual and exemplary damages. In case of the death of either party, the action or right of action given by this section shall survive to or against his or her executor or administrator, and the amount so recovered by either wife or child shall be his or her sole and separate property. Such action may be brought into any court of competent jurisdiction. In any case where parents shall be entitled to such damages, either the father or mother may sue alone therefor, but recovery by one of such parties shall be a bar to suit brought by the other.

Sec. 21. Any room, house, building, boat, vehicle, structure, or place where intoxicating liquor is manufactured, sold, kept, or bartered in violation of this title, and all intoxicating liquor and property kept and used in maintaining the same, is hereby declared to be a common nuisance, and any person who maintains such a common nuisance shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or be imprisoned for not more than one year, or both. If a person has knowledge or reason to believe that his room, house, building, boat, vehicle, structure, or place is occupied or used for the manufacture or sale of liquor contrary to the provision of this title, and suffers the same to be so occupied or used, such room, house, building, boat, vehicle, structure, or place shall be subject to a lien for and may be sold to pay all fines and costs assessed against the person guilty of such nuisance for such violation, and any such lien may be enforced by action in any court having jurisdiction.

Sec. 22. An action to enjoin any nuisance defined in this title may be brought in the name of the United States by the Attorney General of the United States or by any United States attorney or any prosecuting attorney of any State or any subdivision thereof or by the commissioner or his deputies or assistants. Such action shall be brought and tried as an action in equity and may be brought in any court having jurisdiction to hear and determine equity cases. If it is made to appear by affidavits or otherwise, to the satisfaction of the court, or judge in vacation, that such nuisance exists, a temporary writ of injunction shall forthwith issue restraining the defendant from conducting or permitting the continuance of such nuisance until the conclusion of the trial. If a temporary injunction is prayed for, the court may issue an order restraining the defendant and all other persons from removing or in any way interfering with the liquor or fixtures, or other things used in connection with the violation of this act constituting such nuisance. No bond shall be required in instituting such proceedings. It shall not be necessary for the court to find the property involved was being unlawfully used as aforesaid at the time of the hearing, but on finding that the material allegations of the petition are true, the court shall order that no liquors shall be manufactured, sold, bartered, or stored in such room, house, building, boat, vehicle, structure, or place or any part thereof. And upon judgment of the court ordering such nuisance to be abated, the court may order that the room, house, building, structure, boat, vehicle, or place shall not be occupied or used for one year thereafter; but the court may, in its discretion, permit it to be occupied or used if the owner, lessee, tenant, or occupant thereof shall give bond with sufficient surety, to be approved by the court making the order, in the penal and liquidated sum of not less than $500 nor more than $1,000, payable to the United States, and conditioned that intoxicating liquor will not thereafter be manufactured, sold, bartered, kept, or otherwise disposed therein or thereon, and that he will pay all fines, costs, and damages that may be assessed for any violation of this title upon said property.

Sec. 23. That any person who shall, with intent to effect a sale of liquor, by himself, his employee, servant, or agent, for himself or any person, company or corporation, keep or carry around on his person, or in a vehicle, or other conveyance whatever, or leave in a place for another to secure, any liquor, or who shall travel to solicit, or solicit, or take, or accept orders for the sale, shipment, or delivery of liquors in violation of this title is guilty of a nuisance and may be restrained by injunction, temporary and permanent, from doing or continuing to do any of said acts or things.

In such proceedings it shall not be necessary to show any intention on the part of the accused to continue such violations if the action is brought within sixty days following any such violation of the law.

For removing and selling property in enforcing this act the officer shall be entitled to charge and receive the same fee as the sheriff of the county would receive for levying upon and selling property under execution, and for closing the premises and keeping them closed a reasonable sum shall be allowed by the court.

Any violation of this title upon any leased premises by the lessee or occupant thereof shall, at the option of the lessor, work a forefeiture of the lease.

SEC. 24. In the case of the violation of any injunction, temporary or permanent, granted pursuant to the provisions of this title, the court, or in vacation a judge thereof, may summarily try and punish the defendant. The proceedings for punishment for contempt shall be commenced by filing with the clerk of the court from which such injunction issued information under oath setting out the alleged facts constituting the violation; whereupon the court or judge shall forthwith cause a warrant to issue under which the defendant shall be arrested. The trial may be had upon affidavits, or either party may demand the production and oral examination of the witness. Any person found guilty of contempt under the provisions of this section shall be punished by a fine of not less than $500 nor more than $1,000, or by imprisonment of not less than thirty days nor more than twelve months, or by both fine and imprisonment.

SEC. 25. It shall be unlawful to have or possess any liquor or property designed for the manufacture of liquor intended for use in violating this title or which has been so used, and no property rights shall exist in any such liquor or property. A search warrant may issue as provided in Title XI of public law numbered 24 of the Sixty-fifth Congress, approved June 15, 1917, and such liquor, the containers thereof, and such property so seized shall be subject to such disposition as the court may make thereof. If it is found that such liquor or property was so unlawfully held or possessed, or had been so unlawfully used, the liquor and all property designed for the unlawful manufacture of liquor, shall be destroyed, unless the court shall otherwise order. No search warrant shall issue to search any private dwelling occupied as such unless it is being used for the unlawful sale of intoxicating liquor, or unless it is in part used for some business purpose such as a store, shop, saloon, restaurant, hotel or boarding house. The term " private dwelling " shall be construed to include the room or rooms used and occupied not transiently but solely as a residence in an apartment house, hotel, or boarding house.

The property seized on any such warrant shall not be taken from the officer seizing the same on any writ of replevin or other like process.

SEC. 26. When the commissioner, his assistant, inspectors, or any officer of the law shall discover any person in the act of transporting in violation of the law, intoxicating liquors in any wagon, buggy, automobile, water or air craft, or other vehicle, it shall be his duty to seize any and all intoxicating liquors found therein being transported contrary to law. Whenever intoxicating liquors transported or possessed illegally shall be seized by an officer he shall take possession of the vehicle and team or automobile, boat, air or water craft, or any other conveyance, and shall arrest any person in charge thereof. Such officer shall at once proceed against the person arrested under the provisions of this title in any court having competent jurisdiction; but the said vehicle or conveyance shall be returned to the owner upon execution by him of a good and valid bond, with sufficient sureties, in a sum double the value of the property, which said bond shall be approved by said officer and shall be conditioned to return said property to the custody of said officer on the day of trial to abide the judgment of the court. The court upon conviction of the person so arrested shall order the liquor destroyed, and unless good cause to the contrary is shown by the owner, shall order a sale by public auction of the property seized, and the officer making the sale, after deducting the expenses of keeping the property, the fee for the seizure, and the cost of the sale, shall pay all liens, according to their priorities, which are established, by intervention or otherwise, at said hearing or in other proceeding brought for said purpose, as being bona fide and as having been created without the lienor having any notice that the carrying vehicle was being used or was to be used for illegal transportation of liquor, and shall pay the balance of the proceeds into the Treasury of the United States as miscellaneous receipts. All liens against property sold under the provisions of this section shall be transferred from the property to the proceeds of the sale of the property. If, however, no one shall be found claiming the team, vehicle, water or air craft, or automobile, the taking of the same, with a description thereof, shall be advertised in some newspaper published in the city or county where taken or if there be no newspaper published in such city or county, in a newspaper having circulation in the county, once a week for two weeks and by handbills posted in three public places near the place of seizure, and if no claimant shall appear within ten days after the last publication of the advertisement, the property shall be sold and the proceeds after deducting the expenses and costs shall be paid into the Treasury of the United States as miscellaneous receipts.

Sec. 27. In all cases in which intoxicating liquors may be subject to be destroyed under the provisions of this act the court shall have jurisdiction upon the application of the United States attorney to order them delivered to any department or agency of the United States Government for medicinal, mechanical, or scientific uses, or to order the same sold at private sale for such purposes to any person having a permit to purchase liquor the proceeds to be covered into the Treasury of the United States to the credit of miscellaneous receipts, and all liquors heretofore seized in any suit or proceeding brought for violation of law may likewise be so disposed of, if not claimed within sixty days from the date this section takes effect.

Sec. 28. The commissioner, his assistants, agents, and inspectors, and all other officers of the United States, whose duty it is to enforce criminal laws, shall have all the power and protection in the enforcement of this act or any provisions thereof which is conferred by law for the enforcement of existing laws relating to the manufacture or sale of intoxicating liquors under the law of the United States.

Sec. 29. Any person who manufactures or sells liquor in violation of this title shall for a first offense be fined not more than $1,000, or imprisoned not exceeding six months, and for a second or subsequent offense shall be fined not less than $200 nor more than $2,000 and be imprisoned not less than one month nor more than five years.

Any person violating the provisions of any permit, or who makes any false record, report, or affidavit required by this title, or violates any of the provisions of this title, for which offense a special penalty is not prescribed, shall be fined for a first offense not more than $500; for a second offense not less than $100 nor more than $1,000, or be imprisoned not more than ninety days; for any subsequent offense he shall be fined not less than $500 and be imprisoned not less than three months nor more than two years. It shall be the duty of the prosecuting officer to ascertain whether the defendant has been previously convicted and to plead the prior conviction in the affidavit, information, or indictment. The penalties provided in this act against the manufacture of liquor without a permit shall not apply to a person for manufacturing nonintoxicating cider and fruit juices exclusively for use in his home, but such cider and fruit juices shall not be sold or delivered except to persons having permits to manufacture vinegar.

Sec. 30. No person shall be excused, on the ground that it may tend to incriminate him or subject him to a penalty or forfeiture, from attending and testifying, or producing books, papers, documents, and other evidence in obedience to a subpœna of any court in any suit or proceeding based upon or growing out of any alleged violation of this act; but no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing as to which, in obedience to a subpœna and under oath, he may so testify or produce evidence, but no person shall be exempt from prosecution and punishment for perjury committed in so testifying.

Sec. 31. In case of a sale of liquor where the delivery thereof was made by a common or other carrier the sale and delivery shall be deemed to be made in the county or district wherein the delivery was made by such carrier to the consignee, his agent or employee, or in the county or district wherein the sale was made, or from which the shipment was made, and prosecution for such sale or delivery may be had in any such county or district.

Sec. 32. In any affidavit, information, or indictment for the violation of this act, separate offenses may be united in separate counts and the defendant may be tried on all at one trial and the penalty for all offenses may be imposed. It shall not be necessary in any affidavit, information, or indictment to give the name of the purchaser or to include any defensive negative averments, but it shall be sufficient to state that the act complained of was then and there prohibited and unlawful, but this provision shall not be construed to preclude the trial court from directing the furnishing the defendant a bill of particulars when it deems it proper to do so.

Sec. 33. After February 1, 1920, the possession of liquors by any person not legally permitted under this title to possess liquor shall be *prima facie* evidence that such liquor is kept for the purpose of being sold, bartered, exchanged, given away, furnished, or otherwise disposed of in violation of the provisions of this title. Every person legally permitted under this title to have liquor shall report to the commissioner within ten days after the date when the eighteenth amendment of the Constitution of the United States goes into effect the kind and amount of intoxicating liquors in his possession. But it shall not be unlawful to possess liquors in one's private dwelling while the same is occupied and used by him as his dwelling only and such liquor need not be reported, provided such liquors are for use only for the personal consumption of the owner thereof and his family residing in such dwelling and of his *bona fide* guests when entertained by him therein; and the burden of proof shall be upon the possessor in any action concerning the same to prove that such liquor was lawfully acquired, possessed, and used.

Sec. 34. All records and reports kept or filed under the provisions of this act shall be subject to inspection at any reasonable hour by the commissioner or any of his agents or by any public prosecutor or by any person designated by him, or by any peace officer in the State where the record is kept, and copies of such records and reports duly certified by the person with whom kept or filed may be introduced in evidence with like effect as the originals thereof, and verified copies of such records shall be furnished to the commissioner when called for.

Sec. 35. All provisions of law that are inconsistent with this act are repealed only to the extent of such inconsistency, and the regulations herein provided for the manufacture or traffic in intoxicating liquor shall be construed as in addition to existing laws. This act shall not relieve anyone from paying any taxes or other charges imposed upon the manufacture or traffic in such liquor. No liquor revenue stamps or tax receipts of any illegal manufacture or sale shall be issued in advance, but upon evidence of such illegal manufacture or sale a tax shall be assessed against, and collected from, the person responsible for such illegal manufacture or sale in double the amount now provided by law, with an additional penalty of $500 on retail dealers and $1,000 on manufacturers. The payment of such tax or penalty shall give no right to engage in the manufacture or sale of such liquor, or relieve anyone from criminal liability, nor shall this act relieve any person from any liability, civil or criminal, heretofore or hereafter incurred under existing laws.

The commissioner, with the approval of the Secretary of the Treasury, may compromise any civil cause arising under this title before bringing action in court; and, with the approval of the Attorney General, he may compromise any such cause after action thereon has been commenced.

Sec. 36. If any provision of this act shall be held invalid it shall not be construed to invalidate other provisions of the act.

Sec. 37. Nothing herein shall prevent the storage in United States bonded warehouses of all liquor manufactured prior to the taking effect of this act, or prevent the transportation of such liquor to such warehouses or to any wholesale druggist for sale to such druggists for purposes not prohibited when the tax is paid, and permits may be issued therefor.

A manufacturer of any beverage containing less than one-half of 1 per centum of alcohol by volume may, on making application and giving such bond as the commissioner shall prescribe, be given a permit to develop in the manufacture thereof by the usual methods of fermentation and fortification or otherwise a liquid such as beer, ale, porter, or wine containing more than one-half of 1 per centum of alcohol by volume, but before any such liquid is withdrawn from the factory or otherwise disposed of the alcoholic contents thereof shall, under such rules and regulations as the commissioner may prescribe, be reduced below such one-half of 1 per centum of alcohol: *Provided*, That such liquid may be removed and transported, under bond and under such regulations as the commissioner may prescribe, from one bonded plant or warehouse to another for the purpose of having the alcohol extracted therefrom. And such liquids may be developed, under permit, by persons other than the manufacturers of beverages containing less than one-half of 1 per centum of alcohol by volume, and sold to such manufacturers for conversion into such beverages. The alcohol removed from such liquid, if evaporated and not condensed and saved, shall not be subject to tax; if saved, it shall be subject to the same law as other alcoholic liquors.

Credit shall be allowed on the tax due on any alcohol so saved to the amount of any tax paid upon distilled spirits or brandy used in the fortification of the liquor from which the same is saved.

When fortified wines are made and used for the production of nonbeverage alcohol, and dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume, no tax shall be assessed or paid on the spirits used in such fortification, and such dealcoholized wines produced under the provisions of this act, whether carbonated or not, shall not be subject to the tax on artificially carbonated or sparkling wines, but shall be subject to the tax on still wines only.

In any case where the manufacturer is charged with manufacturing or selling for beverage purposes any malt, vinous, or fermented liquids containing one-half of 1 per centum or more of alcohol by volume, or in any case where the manufacturer, having been permitted by the commissioner to develop a liquid such as ale, beer, porter, or wine containing more than one-half of 1 per centum of alcohol by volume in the manner and for the purpose herein provided, is charged with failure to reduce the alcoholic content of any such liquid below such one-half of 1 per centum before withdrawing the same from the factory, then in either such case the burden of proof shall be on such manufacturer to show that such liquid so manufactured, sold, or withdrawn contains less than one-half of 1 per centum of alcohol by volume. In any suit or proceeding involving the alcoholic content of any beverage, the reasonable expense of analysis of such beverage shall be taxed as costs in the case.

SEC. 38. The Commissioner of Internal Revenue and the Attorney General of the United States are hereby respectively authorized to appoint and employ such assistants, experts, clerks, and other employees in the District of Columbia or elsewhere, and to purchase such supplies and equipment as they may deem necessary for the enforcement of the provisions of this act, but such assistants, experts, clerks, and other employees, except such executive officers as may be appointed by the commissioner or the Attorney General to have immediate direction of the enforcement of the provisions of this act, and persons authorized to issue permits, and agents and inspectors in the field service, shall be appointed under the rules and regulations prescribed by the civil service act: *Provided,* That the commissioner and Attorney General in making such appointments shall give preference to those who have served in the military or naval service in the recent war, if otherwise qualified, and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sum as may be required for the enforcement of this act, including personal services in the District of Columbia, and for the fiscal year ending June 30, 1920, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,000,000 for the use of the Commissioner of Internal Revenue and $100,000 for the use of the Department of Justice for the enforcement of the provisions of this act, including personal services in the District of Columbia and necessary printing and binding.

SEC. 39. In all cases wherein the property of any citizen is proceeded against or wherein a judgment affecting it might be rendered, and the citizen is not the one who in person violated the provisions of the law, summons must be issued in due form and served personally, if said person is to be found within the jurisdiction of the court.

TITLE III

INDUSTRIAL ALCOHOL

SEC. 20.[8] That it shall be unlawful to import or introduce into the Canal Zone, or to manufacture, sell, give away, dispose of, transport, or have in one's possession or under one's control within the Canal Zone, any alcoholic, fermented, brewed, distilled, vinous, malt, or spirituous liquors, except for sacramental, scientific, pharmaceutical, industrial, or medicinal purposes, under regulations to be made by the President, and any such liquors within the Canal Zone in violation hereof shall be forfeited to the United States and seized: *Provided,* That this section shall not apply to liquor in transit through the Panama Canal or on the Panama Railroad.

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[8] Secs. 1-19 relate to industrial alcohol; see pp. 269-73.

That each and every violation of any of the provisions of this section shall be punished by a fine of not more than $1,000 or imprisonment not exceeding six months for a first offense, and by a fine not less than $200 nor more than $2,000 and imprisonment not less than one month nor more than five years for a second or subsequent offense.

That all offenses heretofore committed within the Canal Zone may be prosecuted and all penalties therefor enforced in the same manner and to the same extent as if this act had not been passed.

SEC. 21. Titles I and III and sections 1, 27, 37, and 38 of Title II of this act shall take effect and be in force from and after the passage and approval of the act. The other sections of Title II shall take effect and be in force from and after the date when the eighteenth amendment of the Constitution of the United States goes into effect.

F. H. GILLETT,
Speaker of the House of Representatives.
THOMAS R. MARSHALL,
Vice President of the United States and
President of the Senate.

IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
October 27, 1919.

The President of the United States having returned to the House of Representatives, in which it originated, the bill (H. R. 6810) entitled "An act to prohibit intoxicating beverages, and to regulate the manufacture, production, use, and sale of high-proof spirits for other than beverage purposes, and to insure an ample supply of alcohol and promote its use in scientific research and in the development of fuel, dye, and other lawful industries," with his objections thereto, the House proceeded in pursuance of the Constitution to reconsider the same; and

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

Attest:

WM. TYLER PAGE,
Clerk.

IN THE SENATE OF THE UNITED STATES,
Legislative Day, October 22, 1919,
Calendar Day, October 28, 1919.

The Senate having proceeded to reconsider the bill (H. R. 6810) "An act to prohibit intoxicating beverages and to regulate the manufacture, production, use, and sale of high-proof spirits for other than beverage purposes, and to insure an ample supply of alcohol and promote its use in scientific research and in the development of fuel, dye, and other lawful industries," returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House on a reconsideration of the same, it was

Resolved, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

Attest:

GEORGE A. SANDERSON,
Secretary.

3.40 p. m.

1921—Act of November 23, 1921 (42 Stat. L., 222)—An Act Supplemental to the National Prohibition Act.[4]

[SEC. 1]. That the words "person," "commissioner," "application," "permit," "regulation," and "liquor," and the phrase "intoxicating liquor," when used in this act, shall have the same meaning as they have in Title II of the national prohibition act.

SEC. 2. That only spirituous and vinous liquor may be prescribed for medicinal purposes, and all permits to prescribe and prescriptions for any other liquor shall be void. No physician shall prescribe, nor shall any person sell or furnish on any prescription, any vinous liquor that contains more than 24 per centum of alcohol by volume, nor shall anyone prescribe or sell or furnish on any prescription more than one-fourth of one gallon of vinous liquor, or any such vinous or spirituous liquor that contains separately or in the aggregate more than one-half pint of alcohol, for use by any person within any period of ten days. No physician shall be furnished with more than one hundred prescription blanks for use in any period of ninety days, nor shall any physician issue more than that number of prescriptions within any such period unless on application therefor he shall make it clearly apparent to the commissioner that for some extraordinary reason a larger amount is necessary, whereupon the necessary additional blanks may be furnished him. But this provision shall not be construed to limit the sale of any article the manufacture of which is authorized under section 4, Title II, of the national prohibition act.

If the commissioner shall find after hearing, upon notice as required in section 5 of Title II of the national prohibition act, that any article enumerated in subdivisions b, c, d, or e of section 4 of Title II of said national prohibition act is being used as a beverage, or for intoxicating beverage purposes, he may require a change of formula of such article and in the event that such change is not made within a time to be named by the commissioner he may cancel the permit for the manufacture of such article unless it is made clearly to appear to the commissioner that such use can only occur in rare or exceptional instances, but such action of the commissioner may by appropriate proceedings in a court of equity be reviewed, as provided for in section 5, Title II, of said national prohibition act: *Provided,* That no change of formula shall be required and no permit to manufacture any article under subdivision (E), section 4, Title II of the national prohibition act shall be revoked unless the sale or use of such article is substantially increased in the community by reason of its use as a beverage or for intoxicating beverage purposes.

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[4] Generally known as the Willis-Campbell Act.

No spirituous liquor shall be imported into the United States, nor shall any permit be granted authorizing the manufacture of any spirituous liquor, save alcohol, until the amount of such liquor now in distilleries or other bonded warehouses shall have been reduced to a quantity that in the opinion of the commissioner will, with liquor that may thereafter be manufactured and imported, be sufficient to supply the current need thereafter for all nonbeverage uses: *Provided,* That no vinous liquor shall be imported into the United States unless it is made to appear to the commissioner that vinous liquor for such nonbeverage use produced in the United States is not sufficient to meet such nonbeverage needs: *Provided further,* That this provision against importation shall not apply to shipments en route to the United States at the time of the passage of this act: *And provided further,* That the commissioner may authorize the return to the United States under such regulations and conditions as he may prescribe any distilled spirits of American production exported free of tax and reimported in original packages in which exported and consigned for redeposit in the distillery bonded warehouse from which originally removed.

Sec. 3. That this act and the national prohibition act shall apply not only to the United States but to all territory subject to its jurisdiction, including the Territory of Hawaii and the Virgin Islands; and jurisdiction is conferred on the courts of the Territory of Hawaii and the Virgin Islands to enforce this act and the national prohibition act in such Territory and Islands.

Sec. 4. That regulations may be made by the commissioner to carry into effect the provisions of this act. Any person who violates any of the provisions of this act shall be subject to the penalties provided for in the national prohibition act.

Sec. 5. That all laws in regard to the manufacture and taxation of and traffic in intoxicating liquor, and all penalities for violations of such laws that were in force when the national prohibition act was enacted, shall be and continue in force, as to both beverage and nonbeverage liquor, except such provisions of such laws as are directly in conflict with any provision of the national prohibition act or of this act; but if any act is a violation of any of such laws and also of the national prohibition act or of this act, a conviction for such act or offense under one shall be a bar to prosecution therefor under the other. All taxes and tax penalties provided for in section 35 of Title II of the national prohibition act shall be assessed and collected in the same manner and by the same procedure as other taxes on the manufacture of or traffic in liquor.

If distilled spirits upon which the internal-revenue tax has not been paid are lost by theft, accidental fire, or other casualty while in possession of a common carrier subject to the transportation act of 1920 or the merchant marine act, 1920, or if lost by theft from a distillery or other bonded warehouse, and it shall be made to appear to the commissioner that such losses did not occur as the result of negligence, connivance, collusion, or fraud on the part of the owner or person legally accountable for such distilled spirits, no tax shall be assessed or collected upon the distilled spirits so lost, nor shall any tax penalty be imposed or collected by reason of such loss, but the exemption from the tax and penalty shall only be allowed to the extent that the claimant is not indemnified against or recompensed for such loss. This provision shall apply to any claim for taxes or tax penalties that may have accrued since the passage of the national prohibition act or that may accrue hereafter. Nothing in this section shall be construed as in any manner limiting or restricting the provisions of Title III of the national prohibition act.

Sec. 6. That any officer, agent, or employee of the United States engaged in the enforcement of this act, or the national prohibition act, or any other law of the United States, who shall search any private dwelling as defined in the national prohibition act, and occupied as such dwelling without a warrant directing such search, or who while so engaged shall without a search warrant maliciously and without reasonable cause search any other building or property, shall be guilty of a misdemeanor and upon conviction thereof shall be fined for a first offense not more than $1,000, and for a subsequent offense not more than $1,000 or imprisoned not more than one year, or both such fine and imprisonment.

Whoever not being an officer, agent, or employee of the United States shall falsely represent himself to be such officer, agent, or employee and in such assumed character shall arrest or detain any person, or shall in any manner search the person, buildings, or other property of any person, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $1,000, or imprisonment for not more than one year, or by both such fine and imprisonment.

1922—Act of February 17, 1922 (42 Stat. L., 366, 375)—An Act Making appropriations for the Treasury Department for the fiscal year ending June 30, 1923, and for other purposes.[5]

* * * *

. . . That for purpose of concentration, upon the initiation of the Commissioner of Internal Revenue and under regulations prescribed by him, distilled spirits may be removed from any internal-revenue bonded warehouse to any other such warehouse, and may be bottled in bond in any such warehouse before or after payment of the tax, and the commissioner shall prescribe the form and penal sums of bond covering distilled spirits in internal-revenue bonded warehouses, and in transit between such warehouses. . . .

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[5] Repeated in later appropriation acts.

1921—Act of September 21, 1922 (42 Stat. L., 993)—An Act To confer upon the Territorial courts of Porto Rico concurrent jurisdiction with the United States courts of that district of all offenses under the national prohibition act and all acts amendatory thereof or supplemental thereto.

That there be, and is hereby, conferred upon the Territorial magistrates and courts of Porto Rico jurisdiction concurrent with the commissioners and courts of the United States for the said Territory of all offenses under the act of October 28, 1919, known as the national prohibition act, and all acts amendatory thereof and supplemental thereto, the jurisdiction of said Territorial magistrates and courts over said offenses to be the same which they now have over other criminal offenses within their jurisdiction.

1927—Act of March 3, 1927 (44 Stat. L., 1381)—An Act To create a Bureau of Customs and a Bureau of Prohibition in the Department of the Treasury.

[Sec. 1]. That there shall be in the Department of the Treasury a bureau to be known as the Bureau of Customs, a bureau to be known as the Bureau of Prohibition, a Commissioner of Customs, and a Commissioner of Prohibition. The Commissioner of Customs shall be at the head of the Bureau of Customs, and the Commissioner of Prohibition shall be at the head of the Bureau of Prohibition. The Commissioner of Customs and the Commissioner of Prohibition shall be appointed by the Secretary of the Treasury, without regard to the civil service laws, and each shall receive a salary at the rate of $8,000 per annum.

Sec. 2. (a) The Secretary of the Treasury is authorized to appoint, in each of the bureaus established by section 1, one assistant commissioner, two deputy commissioners, one chief clerk, and such attorneys and other officers and employees as he may deem necessary. One of the deputy commissioners of the Bureau of Customs shall have charge of investigations. Appointments under this subdivision shall be subject to the provisions of the civil service laws, and the salaries shall be fixed in accordance with the classification act of 1923.

(b) The Secretary of the Treasury is authorized to designate an officer of the Bureau of Customs to act as Commissioner of Customs, during the absence or disability of the Commissioner of Customs, or in the event that there is no Commissioner of Customs; and to designate an officer of the Bureau of Prohibition to act as Commissioner of Prohibition during the absence or disability of the Commissioner of Prohibition, or in the event that there is no Commissioner of Prohibition.

(c) The personnel of the Bureau of Prohibition shall perform such duties as the Secretary of the Treasury or the Commissioner of Prohibition may prescribe, and the personnel of the Bureau of Customs shall perform such duties (other than duties in connection with the administration of the national prohibition act, as amended, or any other law relating to the enforcement of the eighteenth amendment), as the Secretary of the Treasury or the Commissioner of Customs may prescribe.[6]

* * * *

Sec. 4. (a) The rights, privileges, powers, and duties conferred or imposed upon the Commissioner of Internal Revenue and his assistants, agents, and inspectors, by any law in respect of the taxation, importation, exportation, transportation, manufacture, production, compounding, sale, exchange, dispensing, giving away, possession, or use of beverages, intoxicating liquors, or narcotic drugs, or by the national prohibition act, as amended, or any other law relating to the enforcement of the eighteenth amendment, are hereby transferred to, and conferred and imposed upon, the Secretary of the Treasury.

(b) The Secretary of the Treasury is authorized to confer or impose any of such rights, privileges, powers, and duties upon the Commissioner of Prohibition, or any of the officers or employees of the Bureau of Prohibition, and to confer or impose upon the Commissioner of Internal Revenue, or any of the officers or employees of the Bureau of Internal Revenue, any of such rights, privileges, powers, and duties which, in the opinion of the Secretary, may be necessary in connection with internal revenue taxes.

Sec. 5. (a) The Secretary of the Treasury is authorized to transfer to the Bureau of Prohibition such records, property (including office equipment), and personnel of the office of the Commissioner of Internal Revenue as may be necessary for the exercise by the Bureau of Prohibition of the functions vested in it.

(b) The Commissioner of Prohibition, with the approval of the Secretary of the Treasury, is authorized to appoint in the Bureau of Prohibition such employees in the field service as he may deem necessary, but all appointments of such employees shall be made subject to the provisions of the civil service laws, notwithstanding the provisions of section 38 of the national prohibition act, as amended. The term of office of any person who is transferred, under this section, to the Bureau of Prohibition, and who was not appointed subject to the provisions of the civil service laws, shall expire upon the expiration of six months from the effective date of this act.

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[6] Omitted paragraphs relate to Bureau of Customs.

Sec. 6. Any action or decision of the Secretary of the Treasury under the national prohibition act, as amended, or of any officer upon whom the power to take such action or make such decision is conferred, shall be subject to the same review by a court of equity as the action or decision of the Commissioner of Internal Revenue under such act, as amended, prior to the effective date of this act.

Sec. 7. This act shall take effect on April 1, 1927.

1929—Act of March 2, 1929 (45 Stat. L., 1446)—An Act To amend the National Prohibition Act, as amended and supplemented.

[Sec. 1]. That wherever a penalty or penalties are prescribed in a criminal prosecution by the National Prohibition Act, as amended and supplemented, for the illegal manufacture, sale, transportation, importation, or exportation of intoxicating liquor, as defined by section 1, Title II, of the National Prohibition Act, the penalty imposed for each such offense shall be a fine not to exceed $10,000 or imprisonment not to exceed five years, or both: *Provided,* That it is the intent of Congress that the court, in imposing sentence hereunder, should discriminate between casual or slight violations and habitual sales of intoxicating liquor, or attempts to commercialize violations of the law.

Sec. 2. This Act shall not repeal nor eliminate any minimum penalty for the first or any subsequent offense now provided by the said National Prohibition Act.

Industrial Alcohol

1906—Act of June 7, 1906 (34 Stat. L., 217)—An Act For the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials.

[Sec. 1]. That from and after January first, nineteen hundred and seven, domestic alcohol of such degree of proof as may be prescribed by the Commissioner of Internal Revenue, and approved by the Secretary of the Treasury, may be withdrawn from bond without the payment of internal-revenue tax, for use in the arts and industries and for fuel, light, and power, provided said alcohol shall have been mixed in the presence and under the direction of an authorized Government officer, after withdrawal from the distillery warehouse, with methyl alcohol or other denaturing material or materials, or admixture of the same, suitable to the use for which the alcohol is withdrawn, but which destroys its character as a beverage and renders it unfit for liquid medicinal purposes; such denaturing to be done upon the application of any registered distillery in denaturing bonded warehouses specially designated or set apart for denaturing purposes only, and under conditions prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury.

The character and quantity of the said denaturing material and the conditions upon which said alcohol may be withdrawn free of tax shall be prescribed by the Commissioner of Internal Revenue, who shall, with the approval of the Secretary of the Treasury, make all necessary regulations for carrying into effect the provisions of this act.

Distillers, manufacturers, dealers, and all other persons furnishing, handling, or using alcohol withdrawn from bond under the provisions of this act shall keep such books and records, execute such bonds, and render such returns as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulation require. Such books and records shall be open at all times to the inspection of any internal-revenue officer or agent.

Sec. 2. That any person who withdraws alcohol free of tax under the provisions of this act and regulations made in pursuance thereof, and who removes or conceals same, or is concerned in removing, depositing, or concealing same for the purpose of preventing the same from being denatured under governmental supervision, and any person who uses alcohol withdrawn from bond under the provisions of section one of this act for manufacturing any beverage or liquid medicinal preparation, or knowingly sells any beverage or liquid medicinal preparation made in whole or in part from such alcohol, or knowingly violates any of the provisions of this act, or who shall recover or attempts to recover by redistillation or by any other process or means, any alcohol rendered unfit for beverage or liquid medicinal purposes under the provisions of this act, or who knowingly uses, sells, conceals, or otherwise disposes of alcohol so recovered or redistilled, shall on conviction of each offense be fined not more than five thousand dollars, or be imprisoned not more than five years, or both, and shall in addition, forfeit to the United States all personal property used in connection with his business, together with the buildings and lots or parcels of ground constituting the premises on which said unlawful acts are performed or permitted to be performed: *Provided*, That manufacturers employing processes in which alcohol, used free of tax under the provisions of this act, is expressed or evaporated from the articles manufactured, shall be permitted to recover such alcohol and to have such alcohol restored to a condition suitable solely for reuse in manufacturing processes under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

* * * *

1907—Act of March 2, 1907 (34 Stat. L., 1250)—An Act To amend an act entitled "An act for the withdrawal from bond tax free of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials," approved June seventh, nineteen hundred and six.

[Sec. 1]. That notwithstanding anything contained in the act entitled "An act for the withdrawal from bond tax free of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials," approved June seventh, nineteen hundred and six, domestic alcohol when suitably denatured may be withdrawn from bond without the payment of internal-revenue tax and used in the manufacture of ether and chloroform and other definite chemical substances where said alcohol is changed into some other chemical substance and does not appear in the finished product as alcohol: *Provided*, That rum of not less than one hundred and fifty degrees proof may be withdrawn, for denaturation only, in accordance with the provisions of said act of June seventh, nineteen hundred and six, and in accordance with the provisions of this act.

Sec. 2. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may authorize the establishment of central denaturing bonded warehouses, other than those at distilleries, to which alcohol of the required proof may be transferred from distilleries or distillery bonded warehouses without the payment of internal-revenue tax, and in which such alcohol may be stored and denatured. The establishment, operation, and custody of such warehouses shall be under such regulations and upon the execution of such bonds as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

Sec. 3. That alcohol of the required proof may be drawn off, for denaturation only, from receiving cisterns in the cistern room of any distillery for transfer by pipes direct to any denaturing bonded warehouses on the distillery premises or to closed metal storage tanks situated in the distillery bonded warehouse, or from such storage tanks to any denaturing bonded warehouse on the distillery premises, and denatured alcohol may also be transported from the denaturing bonded warehouse, in such manner and by means of such packages, tanks or tank cars, and on the execution of such bonds, and under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe. And further, alcohol to be denatured may be withdrawn without the payment of internal-revenue tax from the distillery bonded warehouse for shipment to central denaturing plants in such packages, tanks and tank cars, under such regulations, and on the execution of such bonds as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

Sec. 4. [Repealed by act of October 3, 1913; see next entry].

Sec. 5. That the provisions of this act shall take effect on September first, nineteen hundred and seven.

* * * *

1913—Act of October 3, 1913 (38 Stat. L., 114, 199)—An Act To reduce tariff duties and to provide revenue for the Government, and for other purposes.

* * * *

Section IV

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Subsection 2. That from and after the first day of January, nineteen hundred and fourteen, under such regulation as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, any farmer or association of farmers, any fruit growers or association of fruit growers, or other person or persons, may manufacture alcohol free of tax for denaturation only, out of any of the products of farms, fruit orchards, or any substance whatever, on condition that such alcohol shall be directly conveyed from the still by continuous closed pipes to locked and sealed receptacles in which the same may be rendered unfit for use as an intoxicating beverage by an admixture of such denaturing materials as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe, or where such alcohol is of insufficient proof to be denatured, the same may be transferred in bond from such locked and sealed receptacles to a central distilling and denaturing plant as hereinafter provided.

That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may authorize the establishment of central distilling and denaturing plants to which alcohol produced under the provisions of this act, free of tax, may be transferred, redistilled and denatured under such regulations, and upon the execution of such notices and bonds as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

That any central distilling and denaturing plant provided for in section [paragraph] two of this act [subsection] may, in addition to the spirits produced under section [paragraph] one of this act [subsection], use any of the products of farms, fruit orchards, or any substance whatever, for the manufacture of alcohol for denaturation only: *Provided,* That at such distilleries the use of cisterns or tanks of such size and construction as may be deemed expedient shall be permitted in lieu of distillery bonded warehouses under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

That any person who under the provisions of this act shall fail to register, or shall falsely register, any still or distilling apparatus used by him, or who shall fraudulently remove or conceal any distilled spirits produced by him, or who shall fail to comply with all the requirements of this act, or any regulations issued pursuant thereto, respecting the production and denaturization of distilled spirits; and any person who shall recover or attempt to recover by redistillation or by any other process or means, any distilled spirits after the same has been denatured, shall, on conviction, for each offense, be fined not more than five thousand dollars, or be imprisoned for not more than five years, or both, and shall in addition thereto forfeit to the United States all real and personal property used in connection therewith.

That subsection two of section thirty-two hundred and forty-four of the Revised Statutes of the United States shall not apply to stills and worms manufactured for use in distilling, provided for in section [paragraph] one of this act [subsection], but the manufacturer or owner of such distilling apparatus shall give notice to the collector of internal revenue of the district in which the said apparatus is made or to which it is removed, of each still or worm, manufactured, sold, used, or exchanged under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

Section four of the act of March second, nineteen hundred and seven, amendatory of the act of June seventh, nineteen hundred and six, is hereby repealed, and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall exempt distillers operating under this act from the provisions of section thirty-two hundred and eighty-three and thirty-three hundred and nine of the Revised Statutes of the United States, and from such other provisions of existing laws relating to distilleries, including the giving of bonds, as may be deemed expedient by said official: *Provided, however,* That the Commissioner of Internal Revenue shall assess and collect the tax on any spirits unlawfully produced or produced and not accounted for by any such distiller.

* * * *

1919—Act of October 28, 1919 (41 Stat. L., 305, 319)—An Act To prohibit intoxicating beverages, and to regulate the manufacture, production, use, and sale of high-proof spirits for other than beverage purposes, and to insure an ample supply of alcohol and promote its use in scientific research and in the development of fuel, dye, and other lawful industries.

That the short title of this act shall be the "National Prohibition Act."

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TITLE III[7]

INDUSTRIAL ALCOHOL

SEC. 1. When used in this title—

The term "alcohol" means that substance known as ethyl alcohol, hydrated oxide of ethyl, or spirit of wine, from whatever source or whatever process produced.

The term "container" includes any receptacle, vessel, or form of package, tank, or conduit used or capable of use for holding, storing, transferring, or shipment of alcohol.

INDUSTRIAL-ALCOHOL PLANTS AND WAREHOUSES

SEC. 2. Any person now producing alcohol shall, within thirty days after the passage of this act, make application to the commissioner for registration of his industrial-alcohol plant, and as soon thereafter as practicable the premises shall be bonded and permit may issue for the operation of such plant, and any person hereafter establishing a plant for the production of alcohol shall likewise before operation make application, file bond, and receive permit.

SEC. 3. Warehouses for the storage and distribution of alcohol to be used exclusively for other than beverage purposes may be established upon filing of application and bond, and issuance of permit at such places, either in connection with the manufacturing plant or elsewhere, as the commissioner may determine; and the entry and storage of alcohol therein and the withdrawals of alcohol therefrom shall be made in such containers and by such means as the commissioner by regulation may prescribe.

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[7] Titles I and II relate to general prohibition; they are given on pp. 239-58.

Sec. 4. Alcohol produced at any registered industrial alcohol plant or stored in any bonded warehouse may be transferred under regulations to any other registered industrial-alcohol plant or bonded warehouse for any lawful purpose.

Sec. 5. Any tax imposed by law upon alcohol shall attach to such alcohol as soon as it is in existence as such, and all proprietors of industrial alcohol plants and bonded warehouses shall be jointly and severally liable for any and all taxes on any and all alcohol produced thereat or stored therein. Such taxes shall be a first lien on such alcohol and the premises and plant in which such alcohol is produced or stored, together with all improvements and appurtenances thereunto belonging or in any wise appertaining.

Sec. 6. Any distilled spirits produced and fit for beverage purposes remaining in any bonded warehouse on or before the date when the eighteenth amendment of the Constitution of the United States goes into effect, may, under regulations, be withdrawn therefrom either for denaturation at any bonded denaturing plant or for deposit in a bonded warehouse established under this act; and when so withdrawn, if not suitable as to proof, purity, or quality for other than beverage purposes, such distilled spirits shall be redistilled, purified, and changed in proof so as to render such spirits suitable for other purposes, and having been so treated may thereafter be denatured or sold in accordance with the provisions of this act.

Sec. 7. Any distillery or bonded warehouse, heretofore legally established may, upon filing application and bond and the granting of permit, be operated as an industrial-alcohol plant or bonded warehouse under the provisions of this title and regulations made thereunder.

Sec. 8. Alcohol may be produced at any industrial alcohol plant established under the provisions of this title, from any raw materials or by any processes suitable for the production of alcohol, and, under regulations, may be used at any industrial alcohol plant or bonded warehouse or sold or disposed of for any lawful purpose, as in this act provided.

Sec. 9. Industrial-alcohol plants and bonded warehouses established under the provisions of this title shall be exempt from the provisions of sections 3154, 3244, 3258, 3259, 3260, 3263, 3264, 3266, 3267, 3268, 3269, 3271, 3273, 3274, 3275, 3279, 3280, 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3292, 3293, 3294, 3295, 3302, 3303, 3307, 3308, 3309, 3310, 3311, 3312, 3313, 3314, and 3327 of the Revised Statutes; sections 48 to 60 inclusive, and sections 62 and 67 of the act of August 27, 1894 (Twenty-eighth Statutes, pages 563 to 568), and from such other provisions of existing laws relating to distilleries and bonded warehouses as may, by regulations, be declared inapplicable to industrial-alcohol plants and bonded warehouses established under this act.

Regulations may be made embodying any provision of the sections above enumerated.

TAX-FREE ALCOHOL

SEC. 10. Upon the filing of application and bond and issuance of permit denaturing plants may be established upon the premises of any industrial-alcohol plant, or elsewhere, and shall be used exclusively for the denaturation of alcohol by the admixture of such denaturing materials as shall render the alcohol or any compound in which it is authorized to be used unfit for use as an intoxicating beverage.

Alcohol lawfully denatured may, under regulations, be sold free of tax either for domestic use or for export.

Nothing in this act shall be construed to require manufacturers of distilled vinegar to raise the proof of any alcohol used in such manufacture or to denature the same.

SEC. 11. Alcohol produced at any industrial-alcohol plant or stored in any bonded warehouse may, under regulations, be withdrawn tax free as provided by existing law from such plant or warehouse for transfer to any denaturing plant for denaturation, or may, under regulations, before or after denaturation, be removed from any such plant or warehouse for any lawful tax-free purpose.

Spirits of less proof than one hundred and sixty degrees may, under regulations, be deemed to be alcohol for the purpose of denaturation, under the provisions of this title.

Alcohol may be withdrawn, under regulations, from any industrial plant or bonded warehouse tax free by the United States or any governmental agency thereof, or by the several States and Territories or any municipal subdivision thereof, or by the District of Columbia, or for the use of any scientific university or college of learning, any laboratory for use exclusively in scientific research, or for use in any hospital or sanatorium.

But any person permitted to obtain alcohol tax free, except the United States and the several States and Territories and subdivisions thereof, and the District of Columbia, shall first apply for and secure a permit to purchase the same and give the bonds prescribed under Title II of this act, but alcohol withdrawn for nonbeverage purposes for use of the United States and the several States, Territories, and subdivisions thereof, and the District of Columbia may be purchased and withdrawn subject only to such regulations as may be prescribed.

GENERAL PROVISIONS

SEC. 12. The penalties provided in this title shall be in addition to any penalties provided in title 2 of this act,[8] unless expressly otherwise therein provided.

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[8] See p. 254.

Sec. 13. The commissioner shall from time to time issue regulations respecting the establishment, bonding, and operation of industrial-alcohol plants, denaturing plants, and bonded warehouses authorized herein, and the distribution, sale, export, and use of alcohol which may be necessary, advisable, or proper, to secure the revenue, to prevent diversion of the alcohol to illegal uses, and to place the nonbeverage alcohol industry and other industries using such alcohol as a chemical raw material or for other lawful purpose upon the highest possible plane of scientific and commercial efficiency consistent with the interests of the Government, and which shall insure an ample supply of such alcohol and promote its use in scientific research and the development of fuels, dyes, and other lawful products.

Sec. 14. Whenever any alcohol is lost by evaporation or other shrinkage, leakage, casualty, or unavoidable cause during distillation, redistillation, denaturation, withdrawal, piping, shipment, warehousing, storage, packing, transfer, or recovery of any such alcohol the commissioner may remit or refund any tax incurred under existing law upon such alcohol, provided he is satisfied that the alcohol has not been diverted to any illegal use: *Provided also,* That such allowance shall not be granted if the person claiming same is indemnified against such loss by a valid claim of insurance.

Sec. 15. Whoever operates an industrial-alcohol plant or a denaturing plant without complying with the provisions of this title and lawful regulations made thereunder, or whoever withdraws or attempts to withdraw or secure tax free any alcohol subject to tax, or whoever otherwise violates any of the provisions of this title or of regulations lawfully made thereunder shall be liable, for the first offense, to a penalty of not exceeding $1,000, or imprisonment not exceeding thirty days, or both, and for a second or cognate offense to a penalty of not less than $100 nor more than $10,000, and to imprisonment of not less than thirty days nor more than one year. It shall be lawful for the commissioner in all cases of second or cognate offense to refuse to issue for a period of one year a permit for the manufacture or use of alcohol upon the premises of any person responsible in any degree for the violation.

Sec. 16. Any tax payable upon alcohol under existing law may be collected either by assessment or by stamp as regulations shall provide; and if by stamp, regulations shall issue prescribing the kind of stamp to be used and the manner of affixing and canceling the same.

Sec. 17. When any property is seized for violation of this title it may be released to the claimant or to any intervening party, in the discretion of the commissioner, on a bond given and approved.

Sec. 18. All administrative provisions of internal revenue law, including those relating to assessment, collection, abatement, and refund of taxes and penalties and the seizure and forfeiture of property, are made applicable to this title in so far as they are not inconsistent with the provisions thereof.

Sec. 19. All prior statutes relating to alcohol as defined in this title are hereby repealed in so far as they are inconsistent with the provisions of this title.

1929—Act of March 2, 1929 (45 Stat. L., 1496)—An Act To include henceforth, under the designation "storekeeper-gaugers," all positions which have heretofore been designated as those of storekeepers, gaugers, and storekeeper-gaugers; to make storekeeper-gaugers full-time employees, and for other purposes.

[Sec. 1]. That henceforth all storekeepers, gaugers, and storekeeper-gaugers shall be designated as storekeeper-gaugers; and henceforth all storekeeper-gaugers shall not be per diem employees, but shall be full-time employees, paid upon a per annum basis, and, when not employed upon their regular duties, may be assigned to such duties as the Commissioner of Prohibition shall designate. No person who is employed as a storekeeper-gauger at the time this Act takes effect shall be paid at a rate less than the rate upon which his per diem compensation is based at such time; and no person entering upon such employment after such time shall be paid at a rate less than the minimum rate upon which per diem compensation of storekeeper-gaugers is based at the time this Act takes effect.

Sec. 2. The Act entitled "An Act granting cumulative annual leave of absence to storekeepers, gaugers, and storekeeper-gaugers, with pay," approved June 23, 1910, is hereby repealed, and the general provisions of law relating to annual leave of absence and sick leave of employees in the executive departments shall henceforth apply to storekeeper-gaugers. For the purpose of computing leave of absence to which storekeeper-gaugers are entitled during the calendar year in which this Act is enacted, this section shall be held and considered to take effect as of January 1 of such calendar year.

Sec. 3. The Commissioner of Prohibition shall designate for each storekeeper-gauger a principal station, which shall be held to be the designated post of duty of such employee for the purposes of the Subsistence Expense Act of 1926, and which shall, wherever practicable, be at or near the place of *bona fide* residence of such employee. Such principal station may be changed from time to time by the commissioner, as circumstances may require. A storekeeper-gauger, when on detail in emergency cases or assignments in the administrative district wherein he is regularly commissioned, shall be allowed subsistence, as well as when detailed for special duty in any other or outside district.

SEC. 4. The Commissioner of Prohibition, with the approval of the Secretary of the Treasury, may prescribe such rules and regulations as may be necessary or proper to carry out the provisions of this Act.

SEC. 5. This Act shall take effect on the first day of the month following the month during which it is enacted.

SEC. 6. All laws, or parts of laws, inconsistent or in conflict herewith, are hereby repealed.

NARCOTICS

1909—Act of February 9, 1909 (35 Stat. L., 614)—An Act To prohibit the importation and use of opium for other than medicinal purposes, as amended.

[SEC. 1].[9] That when used in this Act—

(a) The term "narcotic drug" means opium, coca leaves, cocaine, or any salt, derivative, or preparation of opium, coca leaves, or cocaine;

(b) The term "United States," when used in a geographical sense, includes the several States and Territories and the District of Columbia;

(c) The term "board" means the Federal Narcotics Control Board established by section 2 of this Act; and

(d) The term "person" means individual, partnership, corporation, or association.

SEC. 2.[10] (a) That there is hereby established a board to be known as the Federal Narcotics Control Board and to be composed of the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce. Except as otherwise provided in this Act or by other law, the administration of this Act is vested in the Department of the Treasury.

(b) That it is unlawful to import or bring any narcotic drug into the United States or any territory under its control or jurisdiction; except that such amounts of crude opium and coca leaves as the board finds to be necessary to provide for medical and legitimate uses only may be imported and brought into the United States or such territory under such regulations as the board shall prescribe, but no crude opium may be imported or brought in for the purpose of manufacturing heroin. All narcotic drugs imported under such regulations shall be subject to the duties which are now or may hereafter be imposed upon such drugs when imported.

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[9] As amended by act of May 26, 1922 (42 Stat. L., 596).

[10] As amended by acts of May 26, 1922 (42 Stat. L., 596), and June 7, 1924 (43 Stat. L., 657).

(c) That if any person fraudulently or knowingly imports or brings any narcotic drug into the United States or any territory under its control or jurisdiction, contrary to law, or assists in so doing, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of any such narcotic drug after being imported or brought in, knowing the same to have been imported contrary to law, such persons shall upon conviction be fined not more than $5,000 and imprisoned for not more than ten years.

(d) Any narcotic drug imported or brought into the United States or any territory under its control or jurisdiction, contrary to law, shall (1) if smoking opium or opium prepared for smoking, be seized and summarily forfeited to the United States Government without the necessity of instituting forfeiture proceedings of any character; or (2), if any other narcotic drug, be seized and forfeited to the United States Government, without regard to its value, in the manner provided by sections 3075 and 3076 of the Revised Statutes, or the provisions of law hereafter enacted which are amendatory of, or in substitution for, such sections. Any narcotic drug which is forfeited in a proceeding for condemnation or not claimed under such sections, or which is summarily forfeited as provided in this subdivision, shall be placed in the custody of the board and in its discretion be destroyed or delivered to some agency of the United States Government for use for medical or scientific purposes.

(e) Any alien who at any time after his entry is convicted under subdivision (c) shall, upon the termination of the imprisonment imposed by the courts upon such conviction and upon warrant issued by the Secretary of Labor, be taken into custody and deported in accordance with the provisions of sections 19 and 20 of the Act of February 5, 1917, entitled "An Act to regulate the immigration of aliens to, and the residence of aliens in, the United States," or provisions of law hereafter enacted which are amendatory of, or in substitution for, such sections.

(f) Whenever on trial for a violation of subdivision (c) the defendant is shown to have or to have had possession of the narcotic drug, such possession shall be deemed sufficient evidence to authorize conviction, unless the defendant explains the possession to the satisfaction of the jury.

(g) The master of any vessel or other water craft, or a person in charge of a railroad car or other vehicle, shall not be liable under subdivision (c), if he satisfies the jury that he had no knowledge of and used due diligence to prevent the presence of the narcotic drug in or on such vessel, water craft, railroad car, or other vehicle; but the narcotic drug shall be seized, forfeited, and disposed of as provided in subdivision (d).

SEC. 3.[11] That on and after July first, nineteen hundred and thirteen, all smoking opium or opium prepared for smoking found within the

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[11] As amended by act of January 17, 1914 (38 Stat. L., 276).

United States shall be presumed to have been imported after the first day of April, nineteen hundred and nine, and the burden of proof shall be on the claimant or the accused to rebut such presumption.

SEC. 4.[11] That any person subject to the jurisdiction of the United States who shall, either as principal or as accessory, receive or have in his possession, or conceal on board of or transport on any foreign or domestic vessel or other water craft or railroad car or other vehicle destined to or bound from the United States or any possession thereof, any smoking opium or opium prepared for smoking, or who, having knowledge of the presence in or on any such vessel, water craft, or vehicle of such article shall not report the same to the principal officer thereof, shall be subject to the penalty provided in section 2 of this Act. Whenever on trial for violation of this section the defendant is shown to have or to have had possession of such opium, such possession shall be deemed sufficient evidence to authorize conviction, unless the defendant shall explain the possession to the satisfaction of the jury: *Provided, however,* That any master of a vessel or other water craft, or person in charge of a railroad car or other vehicle, shall not be liable under this section if he shall satisfy the jury that he had no knowledge and used due diligence to prevent the presence of such article in or on such vessel, water craft, car or other vessel, and any such article shall be forfeited and shall be destroyed.

SEC. 5.[12] That no smoking opium or opium prepared for smoking shall be admitted into the United States or into any territory under its control or jurisdiction for transportation to another country, or be transferred or transshipped from one vessel to another vessel within any waters of the United States for immediate exportation or for any other purpose; and, except with the approval of the board, no other narcotic drug may be so admitted, transferred, or transshipped.

SEC. 6.[12] (a) That it shall be unlawful for any person subject to the jurisdiction of the United States Government to export or cause to be exported from the United States, or from territory under its control or jurisdiction, or from countries in which the United States exercises extraterritorial jurisdiction, any narcotic drug to any other country: *Provided,* That narcotic drugs (except smoking opium and opium prepared for smoking, the exportation of which is hereby absolutely prohibited) may be exported to a country only which has ratified and become a party to the convention and final protocol between the United States Government and other powers for the suppression of the abuses of opium and other drugs, commonly known as the International Opium Convention of 1912, and then only if (1) such country has instituted and maintains, in conformity with that convention, a system, which the board deems adequate, of permits or licenses for the control of imports of such

[12] As amended by act of May 26, 1922 (42 Stat. L., 597).

narcotic drugs; (2) the narcotic drug is consigned to an authorized permittee; and (3) there is furnished to the board proof deemed adequate by it that the narcotic drug is to be applied exclusively to medical and legitimate uses within the country to which exported, that it will not be reëxported from such country, and that there is an actual shortage of and a demand for the narcotic drug for medical and legitimate uses within such country.

(b) The Secretary of State shall request all foreign Governments to communicate through the diplomatic channels copies of the laws and regulations promulgated in their respective countries which prohibit or regulate the importation and shipment in transit of any narcotic drug and, when received, advise the board thereof.

(c) The board shall make and publish all proper regulations to carry into effect the authority vested in it by this Act.

SEC. 7.[13] That any person who exports or causes to be exported any of the aforesaid drugs in violation of the preceding section shall be fined in any sum not exceeding $5,000 nor less than $50, or by imprisonment for any time not exceeding two years, or both. And one-half of any fine recovered from any person or persons convicted of an offense under any section of this Act may be paid to the person or persons giving information leading to such recovery, and one-half of any bail forfeited and collected in any proceedings brought under this Act may be paid to the person or persons giving the information which led to the institution of such proceedings if so directed by the court exercising jurisdiction in the case: *Provided,* That no payment for giving information shall be made to any officer or employee of the United States.

SEC. 8.[14] (a) That a narcotic drug that is found upon a vessel arriving at a port of the United States or territory under its control or jurisdiction and is not shown upon the vessel's manifest, or that is landed from any such vessel without a permit first obtained from the collector of customs for that purpose, shall be seized, forfeited, and disposed of in the manner provided in subdivision (d) of section 2, and the master of the vessel shall be liable (1) if the narcotic drug is smoking opium, to a penalty of $25 an ounce, and (2) if any other narcotic drug, to a penalty equal to the value of the narcotic drug.

(b) Such penalty shall constitute a lien upon the vessel which may be enforced by proceedings by libel *in rem.* Clearance of the vessel from a port of the United States may be withheld until the penalty is paid, or until there is deposited with the collector of customs at the port, a bond in a penal sum double the amount of the penalty, with sureties approved by the collector, and conditioned on the payment of the penalty (or so much thereof as is not remitted by the Secretary of the Treasury) and of all costs and other expenses to the Government in proceedings for the recovery of the penalty in case the master's application for remission of the penalty is denied in whole or in part by the Secretary of the Treasury.

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[13] As amended by act of January 17, 1914 (38 Stat. L., 277).

[14] As amended by act of May 26, 1922 (42 Stat. L., 598).

(c) The provisions of law for the mitigation and remission of penalties and forfeitures incurred for violations of the customs laws shall apply to penalties incurred for a violation of the provisions of this section.

SEC. 9.[15] That this Act may be cited as the "Narcotic Drugs Import and Export Act."

1914—Act of December 17, 1914 (38 Stat. L., 785)—An Act To provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes.

SECTION 1.[16] That on or before July 1 of each year every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, or gives away opium or coca leaves, or any compound, manufacture, salt, derivative, or preparation thereof, shall register with the collector of internal revenue of the district his name or style, place of business and place or places where such business is to be carried on, and pay the special taxes hereinafter provided:

Every person who on January 1, 1919, is engaged in any of the activities above enumerated, or who between such date and the passage of this act first engages in any of such activities, shall within 30 days after the passage of this act make like registration, and shall pay the proportionate part of the tax for the period ending June 30, 1919; and

Every person who first engages in any of such activities after the passage of this act shall immediately make like registration and pay the proportionate part of the tax for the period ending on the following June 30th;

Importers, manufacturers, producers, or compounders, $24 per annum; wholesale dealers, $12 per annum; retail dealers, $6 per annum; physicians, dentists, veterinary surgeons, and other practitioners lawfully entitled to distribute, dispense, give away, or administer any of the aforesaid drugs to patients upon whom they in the course of their professional practice are in attendance, shall pay $1 per annum.

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[15] As amended by act of May 26, 1922 (42 Stat. L., 598).

[16] As amended by Section 703 of the Revenue Act of 1926 (44 Stat. L., 9, 96).

Every person who imports, manufactures, compounds, or otherwise produces for sale or distribution any of the aforesaid drugs shall be deemed to be an importer, manufacturer, or producer.

Every person who sells or offers for sale any of said drugs in the original stamped packages, as hereinafter provided, shall be deemed a wholesale dealer.

Every person who sells or dispenses from original stamped packages, as hereinafter provided, shall be deemed a retail dealer: *Provided,* That the office, or if none, the residence, of any person shall be considered for the purpose of this Act his place of business; but no employee of any person who has registered and paid special tax as herein required, acting within the scope of his employment, shall be required to register and pay special tax provided by this section: *Provided further,* That officials of the United States, Territorial, District of Columbia, or insular possessions, State or municipal governments, who in the exercise of their official duties engage in any of the business herein described, shall not be required to register, nor pay special tax, nor stamp the aforesaid drugs as hereinafter prescribed, but their right to this exemption shall be evidenced in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

It shall be unlawful for any person required to register under the provisions of this Act to import, manufacture, produce, compound, sell, deal in, dispense, distribute, administer, or give away any of the aforesaid drugs without having registered and paid the special tax as imposed by this section.

That the word " person " as used in this Act shall be construed to mean and include a partnership, association, company, or corporation, as well as a natural person; and all provisions of existing law relating to special taxes, as far as necessary, are hereby extended and made applicable to this section.

That there shall be levied, assessed, collected, and paid upon opium, coca leaves, any compound, salt, derivative or preparation thereof, produced in or imported into the United States, and sold, or removed for consumption or sale, an internal-revenue tax at the rate of 1 cent per ounce, and any fraction of an ounce in a package shall be taxed as an ounce, such tax to be paid by the importer, manufacturer, producer, or compounder thereof, and to be represented by appropriate stamps, to be provided by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the stamps herein provided shall be so affixed to the bottle or other container as to securely seal the stopper, covering, or wrapper thereof.

The tax imposed by this section shall be in addition to any import duty imposed on the aforesaid drugs.

It shall be unlawful for any person to purchase, sell, dispense, or distribute any of the aforesaid drugs except in the original stamped package or from the original stamped package; and the absence of appropriate tax-paid stamps from any of the aforesaid drugs shall be *prima facie* evidence of a violation of this section by the person in whose possession same may be found; and the possession of any original stamped package containing any of the aforesaid drugs by any person who has not registered and paid special taxes as required by this section shall be *prima facie* evidence of liability to such special tax: *Provided*, That the provisions of this paragraph shall not apply to any person having in his or her possession any of the aforesaid drugs which have been obtained from a registered dealer in pursuance of a prescription, written for legitimate medical uses, issued by a physician, dentist, veterinary surgeon, or other practitioner registered under this Act; and where the bottle or other container in which such drug may be put up by the dealer upon said prescription bears the name and registry number of the druggist, serial number of prescription, name and address of the patient, and name, address, and registry number of the person writing said prescription; or to the dispensing, or administration, or giving away of any of the aforesaid drugs to a patient by a registered physician, dentist, veterinary surgeon, or other practitioner in the course of his professional practice, and where said drugs are dispensed or administered to the patient for legitimate medical purposes, and the record kept as required by this Act of the drugs so dispensed, administered, distributed, or given away.

And all the provisions of existing laws relating to the engraving, issuance, sale, accountability, cancellation, and destruction of tax-paid stamps provided for in the internal revenue laws are, in so far as necessary, hereby extended and made to apply to stamps provided by this section.

That all unstamped packages of the aforesaid drugs found in the possession of any person, except as herein provided, shall be subject to seizure and forfeiture, and all the provisions of existing internal revenue laws relating to searches, seizures, and forfeitures of unstamped articles are hereby extended to and made to apply to the articles taxed under this Act and the persons upon whom these taxes are imposed.

Importers, manufacturers and wholesale dealers shall keep such books and records and render such monthly returns in relation to the transactions in the aforesaid drugs as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations require.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all needful rules and regulations for carrying the provisions of this Act into effect.

Sec. 2. That it shall be unlawful for any person to sell, barter, exchange, or give away any of the aforesaid drugs except in pursuance of a written order of the person to whom such article is sold, bartered, exchanged, or given, on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue. Every person who shall accept any such order, and in pursuance thereof shall sell, barter, exchange, or give away any of the aforesaid drugs, shall preserve such order for a period of two years in such a way as to be readily accessible to inspection by any officer, agent, or employee of the Treasury Department duly authorized for that purpose, and the State, Territorial, District, municipal, and insular officials named in section 5 of this Act. Every person who shall give an order as herein provided to any other person for any of the aforesaid drugs shall, at or before the time of giving such order, make or cause to be made a duplicate thereof on a form to be issued in blank for that purpose by the Commissioner of Internal Revenue, and in case of the acceptance of such order, shall preserve such duplicate for said period of two years in such a way as to be readily accessible to inspection by the officers, agents, employees, and officials hereinbefore mentioned. Nothing contained in this section shall apply—

(a) To the dispensing or distribution of any of the aforesaid drugs to a patient by a physician, dentist, or veterinary surgeon registered under this Act in the course of his professional practice only: *Provided,* That such physician, dentist, or veterinary surgeon shall keep a record of all such drugs dispensed or distributed, showing the amount dispensed or distributed, the date, and the name and address of the patient to whom such drugs are dispensed or distributed, except such as may be dispensed or distributed to a patient upon whom such physician, dentist, or veterinary surgeon shall personally attend; and such record shall be kept for a period of two years from the date of dispensing or distributing such drugs, subject to inspection, as provided in this Act.

(b) To the sale, dispensing, or distribution of any of the aforesaid drugs by a dealer to a consumer under and in pursuance of a written prescription issued by a physician, dentist, or veterinary surgeon registered under this Act: *Provided, however,* That such prescription shall be dated as of the day on which signed and shall be signed by the physician, dentist, or veterinary surgeon who shall have issued the same: *And provided further,* That such dealer shall preserve such prescription for a period of two years from the day on which such prescription is filled in such a way as to be readily accessible to inspection by the officers, agents, employees, and officials hereinbefore mentioned.

(c) To the sale, exportation, shipment, or delivery of any of the aforesaid drugs by any person within the United States or any Territory or the District of Columbia or any of the insular possessions of the United States to any person in any foreign country, regulating their entry in accordance with such regulations for importation thereof into such foreign country as are prescribed by said country, such regulations to be promulgated from time to time by the Secretary of State of the United States.

(d) To the sale, barter, exchange, or giving away of any of the aforesaid drugs to any officer of the United States Government or of any

State, Territorial, district, county, or municipal or insular government lawfully engaged in making purchases thereof for the various departments of the Army and Navy, the Public Health Service, and for Government, State, Territorial, district, county, or municipal or insular hospitals or prisons.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall cause suitable forms to be prepared for the purposes above mentioned, and shall cause the same to be distributed to collectors of internal revenue for sale by them to those persons who shall have registered and paid the special tax as required by section one of this act in their districts, respectively; and no collector shall sell any of such forms to any persons other than a person who has registered and paid the special tax as required by section one of this act in his district. The price at which such forms shall be sold by said collectors shall be fixed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, but shall not exceed the sum of $1 per hundred. Every collector shall keep an account of the number of such forms sold by him, the names of the purchasers, and the number of such forms sold to each of such purchasers. Whenever any collector shall sell any of such forms, he shall cause the name of the purchaser thereof to be plainly written or stamped thereon before delivering the same; and no person other than such purchaser shall use any of said forms bearing the name of such purchaser for the purpose of procuring any of the aforesaid drugs, or furnish any of the forms bearing the name of such purchaser to any person with intent thereby to procure the shipment or delivery of any of the aforesaid drugs. It shall be unlawful for any person to obtain by means of said order forms any of the aforesaid drugs for any purpose other than the use, sale, or distribution thereof by him in the conduct of a lawful business in said drugs or in the legitimate practice of his profession.

The provisions of this Act shall apply to the United States, the District of Columbia, the Territory of Alaska, the Territory of Hawaii, the insular possessions of the United States, and the Canal Zone. In Porto Rico and the Philippine Islands the administration of this Act, the collection of the said special tax, and the issuance of the order forms specified in section two shall be performed by the appropriate internal-revenue officers of those governments, and all revenues collected hereunder in Porto Rico and the Philippine Islands shall accrue intact to the general governments thereof, respectively. The courts of first instance in the Philippine Islands shall possess and exercise jurisdiction in all cases arising under this Act in said islands. The President is authorized and directed to issue such Executive orders as will carry into effect in the Canal Zone the intent and purpose of this Act by providing for the registration and the imposition of a special tax upon all persons in the Canal Zone who produce, import, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations. The President is further authorized and directed to issue such Executive order as will permit those persons in the Virgin Islands of the United States lawfully entitled to sell, deal in, dispense, prescribe, and distribute the aforesaid drugs, to obtain said drugs from persons registered under this act within the continental United States for legitimate medical purposes, without regard to the order forms described in this section.[17]

SEC. 3. That any person who shall be registered in any internal revenue district under the provisions of section one of this Act, shall, whenever required so to do by the collector of the district, render to the said collector a true and correct statement or return, verified by affidavit, setting forth the quantity of the aforesaid drugs received by him in said internal-revenue district during such period immediately preceding the demand of the collector, not exceeding three months, as the said collector may fix and determine; the names of the persons from whom the said drugs were received; the quantity in each instance received from each of such persons; and the date when received.

SEC. 4. That it shall be unlawful for any person who shall not have registered and paid the special tax as required by section one of this Act to send, ship, carry, or deliver any of the aforesaid drugs from any State or Territory or the District of Columbia, or any insular possession of the United States, to any person in any other State or Territory or the District of Columbia or any insular possession of the United States: *Provided,* That nothing contained in this section shall apply to common carriers engaged in transporting the aforesaid drugs, or to any employee acting within the scope of his employment, of any person who shall have registered and paid the special tax as required by section one of this Act, or to any person who shall deliver any such drug which has been prescribed or dispensed by a physician, dentist, or veterinarian required to register under the terms of this Act, who has been employed to prescribe for the particular patient receiving such drug, or to any United States, State, county, municipal, District, Territorial, or insular officer or official acting within the scope of his official duties.

SEC. 5. That the duplicate order forms and the prescriptions required to be preserved under the provisions of section two of this Act, and the statements or returns filed in the office of the collector of the district, under the provisions of section three of this Act, shall be open to inspection by officers, agents, and employees of the Treasury Department duly authorized for that purpose; and such officials of any State or Territory, or of any organized municipality therein, or of the District of Columbia, or any insular possession of the United States, as shall be charged with the enforcement of any law or municipal ordinance regulating the sale, prescribing, dispensing, dealing in, or distribution of the aforesaid drugs. Each collector of internal revenue is hereby authorized to furnish, upon written request, certified copies of any of the said statements or returns filed in his office to any of such officials of any State or Territory or organized municipality therein, or the District of Columbia, or any insular possession of the United States, as shall be entitled to inspect the said statements or returns filed in the office of the said collector, upon the payment of a fee of $1 for each one hundred words or fraction thereof in the copy or copies so requested. Any person who shall disclose the information contained in the said statements or returns or in the said duplicate order forms, except as herein expressly provided, and except for the purpose of enforcing the provisions of this Act, or for the purpose of enforcing any law of any State or Territory or the District of Columbia, or any insular possession of the United States, or ordinance of any organized municipality therein, regulating the sale, prescribing, dispensing, dealing in, or distribution of the aforesaid drugs, shall, on conviction, be fined or imprisoned as provided by section nine of this Act. And collectors of internal revenue are hereby authorized to furnish upon written request, to any person, a certified copy of the names of any or all persons who may be listed in their respective collection districts as special taxpayers under the provisions of this Act, upon payment of a fee of $1 for each one hundred names or fraction thereof in the copy so requested.

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[17] Last sentence added by act of January 22, 1927 (44 Stat. L., 1023).

Sec. 6.[18] That the provisions of this Act shall not be construed to apply to the manufacture, sale, distribution, giving away, dispensing, or possession of preparations and remedies which do not contain more than two grains of opium, or more than one-fourth of a grain of morphine, or more than one-eighth of a grain of heroin, or more than one grain of codeine, or any salt, or derivative of any of them in one fluid ounce, or, if a solid or semisolid preparation, in one avoirdupois ounce; or to liniments, ointments, or other preparations which are prepared for external use, only, except liniments, ointments, and other preparations which contain cocaine or any of its salts or alpha or beta eucaine or any of their salts or any synthetic substitute for them: *Provided,* That such remedies and preparations are manufactured, sold, distributed, given away, dispensed, or possessed as medicines and not for the purpose of evading the intentions and provisions of this Act: *Provided further,* That any manufacturer, producer, compounder, or vendor (including dispensing physicians) of the preparations and remedies mentioned in this section shall keep a record of all sales, exchanges, or gifts of such preparations and remedies in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall direct. Such record shall be preserved for a period of two years in such a way as to be readily accessible to inspection by any officer, agent, or employee of the Treasury Department duly authorized for that purpose, and the State, Territorial, District, municipal, and insular officers named in section 5 of this Act, and every such person so possessing or disposing of such preparations and remedies shall register as required in section 1 of this Act and, if he is not paying a tax under this Act, he shall pay a special tax of $1 for each year, or fractional part thereof, in which he is engaged in such occupation, to the collector of internal revenue of the district in which he carries on such occupation as provided in this Act. The provisions of this Act as amended shall not apply to decocainized coca leaves or preparations made therefrom, or to other preparations of coca leaves which do not contain cocaine.

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[18] As amended by sec. 704 of the Revenue Act of 1926 (44 Stat. L., 9, 98).

Sec. 7. That all laws relating to the assessment, collection, remission, and refund of internal-revenue taxes including section thirty-two hundred and twenty-nine of the Revised Statutes of the United States, so far as applicable to and not inconsistent with the provisions of this Act, are hereby extended and made applicable to the special taxes imposed by this Act.

Sec. 8. That it shall be unlawful for any person not registered under the provisions of this Act, and who has not paid the special tax provided for by this Act, to have in his possession or under his control any of the aforesaid drugs; and such possession or control shall be presumptive evidence of a violation of this section, and also of a violation of the provisions of section one of this Act: *Provided,* That this section shall not apply to any employee of a registered person, or to a nurse under the supervision of a physician, dentist, or veterinary surgeon registered under this Act, having such possession or control by virtue of his employment or occupation and not on his own account; or to the possession of any of the aforesaid drugs which has or have been prescribed in good faith by a physician, dentist, or veterinary surgeon registered under this Act; or to any United States, State, county, municipal, District, Territorial, or insular officer or official who has possession of any said drugs, by reason of his official duties, or to a warehouseman holding possession for a person registered and who has paid the taxes under this Act; or to common carriers engaged in transporting such drugs: *Provided further,* That it shall not be necessary to negative any of the aforesaid exemptions in any complaint, information, indictment, or other writ or proceeding laid or brought under this Act; and the burden of proof of any such exemption shall be upon the defendant.

Sec. 9. That any person who violates or fails to comply with any of the requirements of this Act shall, on conviction, be fined not more than $2,000 or be imprisoned not more than five years, or both, in the discretion of the court.

Sec. 10. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to appoint such agents, deputy collectors, inspectors, chemists, assistant chemists, clerks, and messengers in the field and in the Bureau of Internal Revenue in the District of Columbia as may be necessary to enforce the provisions of this Act.

Sec. 11. That the sum of $150,000, or so much thereof as may be necessary, be, and hereby is, appropriated, out of any moneys in the

Treasury not otherwise appropriated, for the purpose of carrying into effect the provisions of this Act.

Sec. 12. That nothing contained in this Act shall be construed to impair, alter, amend, or repeal any of the provisions of the Act of Congress approved June thirtieth, nineteen hundred and six, entitled "An Act for preventing the manufacture, sale, or transportation of adulterated or misbranded, or poisonous, or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," and any amendment thereof, or of the Act approved February ninth, nineteen hundred and nine, entitled "An Act to prohibit the importation and use of opium for other than medicinal purposes," and any amendment thereof.

1926—Act of February 26, 1926 (44 Stat. L., 9, 99)—An Act To reduce and equalize taxation, to provide revenue, and for other purposes.

Section 1. This act may be cited as the " Revenue Act of 1926,"

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Sec. 703. [See sec. 1 of act of December 17, 1914.]

Sec. 704. [See sec. 6 of act of December 17, 1914.]

Sec. 705. All opium, its salts, derivatives, and compounds and coca leaves, salts, derivatives, and compounds thereof, which may now be under seizure or which may hereafter be seized by the United States Government from any person or persons charged with any violation of the Act of October 1, 1890, as amended by the Acts of March 3, 1897, February 9, 1909, and January 17, 1914, or the Act of December 17, 1914, as amended, shall upon conviction of the person or persons from whom seized be confiscated by and forfeited to the United States, and the Secretary is hereby authorized to deliver for medical or scientific purposes to any department, bureau, or other agency of the United States Government, upon proper application therefor under such regulation as may be prescribed by the Commissioner, with the approval of the Secretary, any of the drugs so seized, confiscated, and forfeited to the United States.

The provisions of this section shall also apply to any of the aforesaid drugs seized or coming into the possession of the United States in the enforcement of any of the above-mentioned acts, where the owner or owners thereof are unknown. None of the aforesaid drugs coming into possession of the United States under the operation of said acts, or the provisions of this section, shall be destroyed without certification by a committee appointed by the commissioner, with the approval of the Secretary, that they are of no value for medical or scientific purposes.

1928—Act of March 28, 1928 (45 Stat. L., 374)—An Act To provide for advances of funds by special disbursing agents in connection with the enforcement of Acts relating to narcotic drugs.

That the Commissioner of Prohibition, with the approval of the Secretary of the Treasury, is authorized to direct the advance of funds by special disbursing agents in connection with the enforcement of the Act entitled "An Act to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon, all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes," approved December 17, 1914, as amended by the Revenue Act of 1918, and the Act entitled "An Act to amend an Act entitled 'An Act to prohibit the importation and use of opium for other than medicinal purposes,' approved February 9, 1909," as amended by the Act of May 26, 1922, known as " The Narcotic Drugs Import and Export Act."

Such advances in connection with the enforcement of the Acts hereinabove stated relating to narcotic drugs may be made, notwithstanding the provisions of section 3648 of the Revised Statutes of the United States (section 529, title 31, United Sates Code), from the appropriations available for the enforcement of such Acts and Acts amendatory thereof or supplementary thereto.

1928—Act of December 20, 1928 (45 Stat. L., 1036)—An Act Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1930, and for other purposes.

* * * *

. . . *Provided further,* That moneys expended from this appropriation for the purchase of narcotics and subsequently recovered shall be deposited in the Treasury to the credit of the appropriation for enforcement of Narcotic and National Prohibition Acts current at the time of the deposit.

Taxes and Civil Penalties

R. S., Sec. 3176—[Penalty for making false return]—As amended by Section 1103 of the Revenue Act of 1926 (44 Stat. L., 112).

Sec. 3176. If any person, corporation, company, or association fails to make and file a return or list at the time prescribed by law or by regulation made under authority of law, or makes, willfully or otherwise, a false or fraudulent return or list, the collector or deputy collector shall make the return or list from his own knowledge and from such information as he can obtain through testimony or otherwise. In any such case the Commissioner of Internal Revenue may, from his own knowledge and from such information as he can obtain through testimony or otherwise, make a return or amend any return made by a collector or deputy collector. Any return or list so made and subscribed by the Commissioner, or by a collector or deputy collector and approved by the Commissioner, shall be *prima facie* good and sufficient for all legal purposes.

If the failure to file a return (other than a return under Title II of the Revenue Act of 1924 or Title II of the Revenue Act of 1926) or a list is due to sickness or absence, the collector may allow such further time, not exceeding 30 days, for making and filing the return or list as he deems proper.

The Commissioner of Internal Revenue shall determine and assess all taxes, other than stamp taxes, as to which returns or lists are so made under the provisions of this section. In case of any failure to make and file a return or list within the time prescribed by law, or prescribed by the Commissioner of Internal Revenue or the collector in pursuance of law, the Commissioner shall add to the tax 25 per centum of its amount, except that when a return is filed after such time and it is shown that the failure to file it was due to a reasonable cause and not to willful neglect, no such addition shall be made to the tax. In case a false or fraudulent return or list is willfully made, the Commissioner shall add to the tax 50 per centum of its amount.

The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the neglect, falsity, or fraud, in which case the amount so added shall be collected in the same manner as the tax.

R. S., Sec. 3244—[Special taxes]—As amended March 1, 1879 (20 Stat. L., 333, 342).

SEC. 3244. Special taxes are imposed as follows:

First. Brewers shall pay one hundred dollars. Every person who manufactures fermented liquors of any name or description for sale, from malt, wholly or in part, or from any substitute therefor, shall be deemed a brewer: *Provided,* That any person who manufactures less than five hundred barrels a year shall pay the sum of fifty dollars.

Second. Manufacturers of stills shall each pay fifty dollars, and twenty dollars for each still or worm for distilling made by him. Any person who manufactures any still or worm to be used in distilling shall be deemed a manufacturer of stills. Upon all stills manufactured for export, and actually exported, there shall be allowed a drawback, where the tax thereon has been paid, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

Third. Rectifiers of distilled spirits shall pay two hundred dollars. Every person who rectifies, purifies, or refines distilled spirits or wines by any process other than by original and continuous distillation from mash, wort, or wash, through continuous closed vessels and pipes, until the manufacture thereof is complete, and every wholesale or retail liquor dealer who has in his possession any still or leach tub, or who keeps any other apparatus for the purpose of refining in any manner distilled spirits, and every person who, without rectifying, purifying, or refining distilled spirits, shall, by mixing such spirits, wine, or other liquor with any materials, manufacture any spurious, imitation, or compound liquors for sale, under the name of whisky, brandy, gin, rum, wine, spirits, cordials, or wine bitters, or any other name, shall be regarded as a rectifier, and as being engaged in the business of rectifying: *Provided*, That any person who rectifies, purifies, refines, or manufactures as aforesaid less than five hundred barrels a year, counting forty gallons of proof spirits to the barrel, shall pay one hundred dollars: *And provided*, That nothing in this section shall be held to prohibit the purifying or refining of spirits in the course of original and continuous distillation through any material which will not remain incorporated with such spirits when the manufacture thereof is complete: *And provided further*, That no officer shall collect any special tax for rectifying distilled spirits on any premises distant less than six hundred feet in a direct line from any distillery. And every officer who collects any special tax in violation of this proviso shall be liable to a penalty of five thousand dollars for each offense.

Fourth. Retail dealers in liquors shall pay twenty-five dollars. Every person who sells, or offers for sale, foreign or domestic distilled spirits or wines, otherwise than as hereafter provided, in less quantities than five wine gallons at the same time, shall be regarded as a retail dealer in liquors.

Wholesale liquor dealers shall pay one hundred dollars. Every person who sells or offers for sale foreign or domestic distilled spirits or wines, in quantities of not less than five wine gallons at the same time, shall be regarded as a wholesale liquor dealer. But no distiller who has given the required bond, and who sells only distilled spirits of his own production at the place of manufacture, in the original packages to which the tax stamps are affixed, shall be required to pay the special tax of a wholesale liquor dealer on account of such sales.

Fifth. Retail dealers in malt liquors shall pay twenty dollars. Every person who sells or offers for sale malt liquors in quantities of five gallons or less at one time, but who does not deal in spirituous liquors, shall be regarded as a retail dealer in malt liquors.

Wholesale dealers in malt liquors shall pay fifty dollars. Every person who sells or offers for sale malt liquors in larger quantities than five gallons at one time, but who does not deal in spirituous liquors, shall be regarded as a wholesale dealer in malt liquors. *Provided,* That no brewer shall be required to pay a special tax as a wholesale dealer by reason of selling in the original stamped packages, whether at the place of manufacture or otherwise, malt liquors manufactured by him.

But no special tax shall be held to accrue on a sale of distilled spirits, wines, or malt liquors made by a person who is not otherwise a dealer in liquors, where such spirits, wines, or liquors have been received by the person so selling as security for or in payment of a debt, or as executor, administrator, or other fiduciary, or have been levied on by any officer, under order or process of any court or magistrate, and where such spirits are sold by such person in one parcel only, or at public auction in parcels not less than twenty wine gallons, nor shall such tax be held to accrue on a sale made by a retiring partner, or the representatives of a deceased partner to the incoming, remaining, or surviving partner or partners of a firm; nor shall the special tax of a wholesale liquor dealer or wholesale dealer in malt liquors be held to apply to a retail dealer in liquors or a retail dealer in malt liquors because of such retail dealer selling out his entire stock of liquors in one parcel, or in parcels embracing not less than his entire stock of distilled spirits, of wines, or of malt liquors; and section thirty-three hundred and nineteen of the Revised Statutes, shall not be held to prohibit a rectifier or liquor-dealer from purchasing, in quantities greater than twenty wine gallons, the distilled spirits sold in one parcel as aforesaid.

R. S., Sec. 3251 [Liens].

. . . Every proprietor or possessor of, and every person in any manner interested in the use of, any still, distillery, or distilling apparatus, shall be jointly and severally liable for the taxes imposed by law on the distilled spirits produced therefrom, and the tax shall be a first lien on the spirits distilled, the distillery used for distilling the same, the stills, vessels, fixtures, and tools therein, the lot or tract of land whereon the said distillery is situated, and on any building thereon from the time said spirits are in existence as such until the said tax is paid.

R. S., Sec. 3450. [Forfeiture of conveyances etc.]

SEC. 3450. Whenever any goods or commodities for or in respect whereof any tax is or shall be imposed, or any materials, utensils, or vessels proper or intended to be made use of for or in the making of such goods or commodities are removed, or are deposited or concealed in any place, with intent to defraud the United States of such tax, or any part thereof, all such goods and commodities, and all such materials, utensils, and vessels, respectively, shall be forfeited; and in every such case all the casks, vessels, cases, or other packages whatsoever, containing, or which shall have contained, such goods or commodities, respectively, and every vessel, boat, cart, carriage, or other conveyance whatsoever, and all horses or other animals, and all things used in the removal or for the deposit or concealment thereof, respectively, shall be forfeited. And every person who removes, deposits, or conceals, or is concerned in removing, depositing, or concealing any goods or commodities for or in respect whereof any tax is or shall be imposed, with intent to defraud the United States of such tax or any part thereof, shall be liable to a fine or penalty of not more than five hundred dollars. And all boilers, stills, or other vessels, tools and implements, used in distilling or rectifying, and forfeited under any of the provisions of this Title, and all condemned material, together with any engine or other machinery connected therewith, and all empty barrels, and all grain or other material suitable for distillation, shall, under the direction of the court in which the forfeiture is recovered, be sold at public auction, and the proceeds thereof, after deducting the expenses of sale, shall be disposed of according to law. And all spirits or spirituous liquors which may be forfeited under the provisions of this Title, unless herein otherwise provided, shall be disposed of by the Commissioner of Internal Revenue as the Secretary of the Treasury may direct.

R. S., Sec. 3461—[Remission of forfeitures].

Sec. 3461. Within one year after the sale of any goods, wares, or merchandise, as provided in the preceding section, any person claiming to be interested in the property sold may apply to the Secretary of the Treasury for a remission of the forfeiture thereof, or of any part thereof, and a restoration of the proceeds of the sale; and the said Secretary may grant the same upon satisfactory proof, to be furnished in such manner as he shall prescribe: *Provided,* That it shall be satisfactorily shown that the applicant, at the time of the seizure and sale of the said property, and during the intervening time, was absent, out of the United States, or in such circumstances as prevented him from knowing of the seizure, and that he did not know of the same; and also that the said forfeiture was incurred without willful negligence or any intention of fraud on the part of the owner of said property. If no application for such restoration is made within one year, as hereinbefore prescribed, the Secretary of the Treasury shall, at the expiration of the said time, cause the proceeds of the sale of the said property to be distributed according to law, as in the case of goods, wares, or merchandise condemned and sold pursuant to the decree of a competent court.

1880—Act of May 28, 1880 (21 Stat. L., 145, 149)—An Act To amend the laws in relation to internal revenue.

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Sec. 18. That subsection second of section thirty-two hundred and forty-four [Revised Statutes] shall not apply to distillers in registered distilleries who manufacture for their own use wooden stills, but each of said distillers shall give notice to the collector of the district in which his distillery is located of each still manufactured before the same is used.

1914—Act of December 17, 1914 (38 Stat. L., 785) as amended by Revenue Act of 1926 (44 Stat. L., 96)—An Act To provide for the registration of, with collectors of internal revenue, and to impose a special tax upon all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes.

Section 1. That on or before July 1 of each year every person who imports, manufactures, produces, compounds, sells, deals in, dispenses, or gives away opium or coca leaves, or any compound, manufacture, salt, derivative, or preparation thereof, shall register with the collector of internal revenue of the district his name or style, place of business and place or places where such business is to be carried on, and pay the special taxes hereinafter provided;

Every person who on January 1, 1919, is engaged in any of the activities above enumerated, or who between such date and the passage of this Act first engaged in any of such activities, shall within thirty days after the passage of this Act make like registration; and shall pay the proportionate part of the tax for the period ending June 30, 1919; and

Every person who first engages in any of such activities after the passage of this Act shall immediately make like registration and pay the proportionate part of the tax for the period ending on the following June 30th;

Importers, manufacturers, producers, or compounders, $24 per annum; wholesale dealers, $12 per annum; retail dealers, $6 per annum; physicians, dentists, veterinary surgeons, and other practitioners lawfully entitled to distribute, dispense, give away, or administer any of the aforesaid drugs to patients upon whom they in the course of their professional practice are in attendance, shall pay $1 per annum.

Every person who imports, manufactures, compounds, or otherwise produces for sale or distribution any of the aforesaid drugs shall be deemed to be an importer, manufacturer, or producer.

Every person who sells or offers for sale any of said drugs in the original stamped packages, as hereinafter provided, shall be deemed a wholesale dealer.

Every person who sells or dispenses from original stamped packages, as hereinafter provided, shall be deemed a retail dealer: *Provided*, That the office, or if none, the residence, of any person shall be considered for the purpose of this Act his place of business; but no employee of any person who has registered and paid special tax as herein required, acting within the scope of his employment, shall be required to register and pay special tax provided by this section: *Provided further*, That officials of the United States, Territorial, District of Columbia, or insular possessions, State or municipal governments, who in the exercise of their official duties engage in any of the business herein described, shall not be required to register, nor pay special tax, nor stamp the aforesaid drugs as hereinafter prescribed, but their right to this exemption shall be evidenced in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

It shall be unlawful for any person required to register under the provisions of this Act to import manufacture, produce, compound, sell, deal in, dispense, distribute, administer, or give away any of the aforesaid drugs without having registered and paid the special tax as imposed by this section.

That the word "person" as used in this Act shall be construed to mean and include a partnership, association, company, or corporation, as well as a natural person; and all provisions of existing law relating to special taxes, as far as necessary are hereby extended and made applicable to this section.

That there shall be levied, assessed, collected, and paid upon opium, coca leaves, any compound, salt, derivative, or preparation thereof, produced in or imported into the United States, and sold, or removed for consumption or sale, an internal-revenue tax at the rate of 1 cent per ounce, and any fraction of an ounce in a package shall be taxed as an ounce, such tax to be paid by the importer, manufacturer, producer, or compounder thereof, and to be represented by appropriate stamps, to be provided by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury; and the stamps herein provided shall be so affixed to the bottle or other container as to securely seal the stopper, covering, or wrapper thereof.

The tax imposed by this section shall be in addition to any import duty imposed on the aforesaid drugs.

It shall be unlawful for any person to purchase, sell, dispense, or distribute any of the aforesaid drugs except in the original stamped package or from the original stamped package; and the absence of appropriate tax-paid stamps from any of the aforesaid drugs shall be *prima facie* evidence of a violation of this section by the person in whose possession same may be found; and the possession of any original stamped package containing any of the aforesaid drugs by any person who has not registered and paid special taxes as required by this section shall be *prima facie* evidence of liability to such special tax: *Provided*, That the provisions of this paragraph shall not apply to any person having in his or her possession any of the aforesaid drugs which have been obtained from a registered dealer in pursuance of a prescription, written for legitimate medical uses, issued by a physician, dentist, veterinary surgeon, or other practitioner registered under this Act; and where the bottle or other container in which such drug may be put up by the dealer upon said prescription bears the name and registry number of the druggist, serial number of prescription, name and address of the patient, and name, address, and registry number of the person writing said prescription; or to the dispensing, or administration, or giving away of any of the aforesaid drugs to a patient by a registered physician, dentist, veterinary surgeon, or other practitioner in the course of his professional practice, and where said drugs are dispensed or administered to the patient for legitimate medical purposes, and the record kept as required by this Act of the drugs so dispensed, administered, distributed, or given away.

And all the provisions of existing laws relating to the engraving, issuance, sale, accountability, cancellation, and destruction of tax-paid stamps provided for in the internal-revenue laws are, in so far as necessary, hereby extended and made to apply to stamps provided by this section.

That all unstamped packages of the aforesaid drugs found in the possession of any person, except as herein provided, shall be subject to seizure and forfeiture, and all the provisions of existing internal-revenue laws relating to searches, seizures, and forfeiture of unstamped articles are hereby extended to and made to apply to the articles taxed under this Act and the persons upon whom these taxes are imposed.

Importers, manufacturers, and wholesale dealers shall keep such books and records and render such monthly returns in relation to the transactions in the aforesaid drugs as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations require.

The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all needful rules and regulations for carrying the provisions of this Act into effect.

1919—Act of February 24, 1919 (40 Stat. L., 1057, 1108, 1109, 1110, 1128)—An Act To provide revenue and for other purposes, as amended.

SEC. 600.[19] (a) There shall be levied and collected on all distilled spirits now in bond or that have been or that may be hereafter produced in or imported into the United States, in lieu of the internal-revenue taxes now imposed thereon by law, an internal-revenue tax at the following rates, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law:

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[19] As amended by Revenue Act of 1926 (44 Stat. L., 104).

(1) Until January 1, 1927, $2.20 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon;

(2) On and after January 1, 1927, and until January 1, 1928, $1.65 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon; and

(3) On and after January 1, 1928, $1.10 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon.

(4) On and after the enactment of the Revenue Act of 1926, on all distilled spirits which are diverted to beverage purposes or for use in the manufacture or production of any article used or intended for use as a beverage there shall be levied and collected a tax of $6.40 on each proof gallon or wine gallon when below proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the person responsible for such diversion. If a tax at the rate of $2.20, $1.65, or $1.10 per proof or wine gallon has been paid upon such distilled spirits a credit of the tax so paid shall be allowed in computing the tax imposed by this paragraph.

(5) The internal revenue tax imposed by this subdivision upon distilled spirits heretofore or hereafter imported into the United States shall, under regulations prescribed by the Commissioner, with the approval of the Secretary, be collected and deposited in the same manner as other internal revenue taxes, except that such collection and depositing shall be by the collector of customs instead of by the collector of internal revenue. Such tax shall be in addition to any customs duty imposed under the Tariff Act of 1922 or any subsequent Act.

(6) Distilled spirits smuggled or brought into the United States unlawfully shall, for the purpose of this subdivision, be held to be imported into the United States, and section 3334 of the Revised Statutes, as amended, shall be applicable to any sale thereof.

(7) When any distilled spirits exported free of tax and reimported in the original packages prior to January 1, 1926, are after the enactment of the Revenue Act of 1926 withdrawn from any internal-revenue bonded warehouse for tax payment or for bottling in bond, an allowance may be made for actual loss by leakage or evaporation not exceeding one proof gallon as to each cask or package of a capacity of not less than 40 wine gallons for each period of six months or fraction thereof from the date of official regauge after reimportation, and such distilled spirits may be bottled in accordance with the provisions of the Act of March 3, 1897, entitled "An Act to allow the bottling of distilled spirits in bond," as amended. The allowance for losses provided in this paragraph shall be made subject to the conditions of section 50 of the Act of August 27, 1894, entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes," as amended.

SEC. 605. That in addition to the tax imposed by this Act on distilled spirits and wines there shall be levied, assessed, collected, and paid, in lieu of the tax imposed by section 304 of the Revenue Act of 1917, a tax of 30 cents on each proof gallon and a proportionate tax at a like rate on all fractional parts of such proof gallon on all distilled spirits or wines hereafter rectified, purified, or refined in such manner, and on all mixtures hereafter produced in such manner, that the person so rectifying, purifying, refining, or mixing the same is a rectifier within the meaning of section 3244 of the Revised Statutes, as amended: *Provided,* That this tax shall not apply to gin produced by the redistillation of a pure spirit over juniper berries and other aromatics.

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SEC. 608. That there shall be levied and collected on all beer, lager beer, ale, porter, and other similar fermented liquor, containing one-half of one per centum, or more, of alcohol, brewed or manufactured and hereafter sold, or removed for consumption or sale, within the United States, by whatever name such liquors may be called, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of $6.00 for every barrel containing not more than thirty-one gallons, and at a like rate for any other quantity or for the fractional parts of a barrel authorized and defined by law, to be collected under the provisions of existing law.

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SEC. 611.[20] That upon all still wines, including vermuth, and all artificial or imitation wines or compounds sold as still wine, which are hereafter produced in or imported into the United States, or which on the day after the passage of this Act are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes now imposed thereon by law, taxes at rates as follows, when sold, or removed for consumption or sale:

On wines containing not more than 14 per centum of absolute alcohol, 4 cents per wine gallon, the per centum of alcohol taxable under this section to be reckoned by volume and not by weight;

On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 10 cents per wine gallon;

On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, 25 cents per wine gallon."

All such wines containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall pay tax accordingly.

Any such wines may, under such regulations as the Secretary may prescribe, be sold or removed tax free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

[20] As amended by Section 451 of the Revenue Act of 1928 (45 Stat. L., 868).

The taxes imposed by this section shall not apply to dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

Sec. 612.[21] That under such regulations and official supervision and upon the giving of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this title, may withdraw from any fruit, distillery or special bonded warehouse grape brandy, or wine spirits, for the fortification of such wines on the premises where actually made: *Provided,* That there shall be levied and assessed against the producer of such wines a tax (in lieu of the internal-revenue tax now imposed thereon by law) of 10 cents per proof gallon of grape brandy or wine spirits whenever withdrawn and hereafter so used by him in the fortification of such wines during the preceding month, which assessment shall be paid by him within ten months from the date of notice thereof: *Provided further,* That when such wines are sold or removed for the manufacture of vinegar, or the production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume, the tax on such grape brandy or wine spirits under this section, shall, under such regulations as the Secretary may prescribe, be abated or refunded.

Sec. 613. That upon the following articles which are hereafter produced in or imported into the United States, or which on the day after the passage of this Act are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid taxes at rates as follows, when sold, or removed for consumption or sale:

On each bottle or other container of champagne or sparkling wine, 12 cents on each one-half pint or fraction thereof;

On each bottle or other container of artificially carbonated wine, 6 cents on each one-half pint or fraction thereof;

On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine fortified with grape brandy, 6 cents on each one-half pint or fraction thereof.

The tax imposed by this section shall, in the case of any article upon which a corresponding internal-revenue tax is now imposed by law, be in lieu of such tax.

* * * *

Sec. 1001 . . .

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(12) Every person carrying on the business of a brewer, distiller, wholesale liquor dealer, retail liquor dealer, wholesale dealer in malt liquor, retail dealer in malt liquor, or manufacturer of stills, as defined in section 3244 as amended and section 3247 of the Revised Statutes, in any State, Territory, or District of the United States contrary to the laws of such State, Territory, or District, or in any place

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[21] As amended by Section 452 of the Revenue Act of 1928 (45 Stat. L., 868).

therein in which carrying on such business is prohibited by local or municipal law, shall pay, in addition to all other taxes, special or otherwise, imposed by existing law or by this Act, $1,000.

The payment of the tax imposed by this subdivision shall not be held to exempt any person from any penalty or punishment provided for by the laws of any State, Territory, or District for carrying on such business in such State, Territory, or District, or in any manner to authorize the commencement or continuance of such business contrary to the laws of such State, Territory, or District, or in places prohibited by local or municipal law.

The taxes imposed by this section shall, in the case of persons upon whom a corresponding tax is imposed by section 407 of the Revenue Act of 1916, be in lieu of such tax.

1919—Act of October 28, 1919 (41 Stat. L., 305, 315, 318)—An Act To prohibit intoxicating beverages, and to regulate the manufacture, production, use, and sale of high-proof spirits for other than beverage purposes, and to insure an ample supply of alcohol and promote its use in scientific research and in the development of fuel, dye, and other lawful industries.

* * * *

TITLE II

* * * *

SEC. 26. When the commissioner, his assistants, inspectors, or any officer of the law shall discover any person in the act of transporting in violation of the law, intoxicating liquors in any wagon, buggy, automobile, water or air craft, or other vehicle, it shall be his duty to seize any and all intoxicating liquors found therein being transported contrary to law. Whenever intoxicating liquors transported or possessed illegally shall be seized by an officer he shall take possession of the vehicle and team or automobile, boat, air or water craft, or any other conveyance, and shall arrest any person in charge thereof. Such officer shall at once proceed against the person arrested under the provisions of this title in any court having competent jurisdiction; but the said vehicle or conveyance shall be returned to the owner upon execution by him of a good and valid bond, with sufficient sureties, in a sum double the value of the property, which said bond shall be approved by said officer and shall be conditioned to return said property to the custody of said officer on the day of trial to abide the judgment of the court. The court upon conviction of the person so arrested shall order the liquor destroyed, unless good cause to the contrary is shown by the owner, shall order a sale by public auction of the property seized, and the officer making the sale, after deducting the expenses of keeping the property, the fee for the seizure, and the cost of the sale, shall pay all liens, according to their priorities, which are established, by intervention or otherwise at said hearing or in other proceeding brought for said purpose, as being *bona fide* and as having been created without the lienor having any notice that the carrying vehicle was being used or was to be used for illegal transportation of liquor, and shall pay the balance of the proceeds into the Treasury of the United States as miscellaneous receipts. All liens against property sold under the provisions of this section shall be transferred from the property to the proceeds of the sale of the property. If, however, no one shall be found claiming the team, vehicle, water or air craft, or automobile, the taking of the same, with a description thereof, shall be advertised in some newspaper published in the city or county where taken or if there be no newspaper published in such city or country, in a newspaper having circulation in the county, once a week for two weeks and by handbills posted in three public places near the place of seizure, and if no claimant shall appear within ten days after the last publication of the advertisement, the property shall be sold and the proceeds after deducting the expenses and costs shall be paid into the Treasury of the United States as miscellaneous receipts.

* * * *

Sec. 35. All provisions of law that are inconsistent with this Act are repealed only to the extent of such inconsistency and the regulations herein provided for the manufacture or traffic in intoxicating liquor shall be construed as in addition to existing laws. This Act shall not relieve anyone from paying any taxes or other charges imposed upon the manufacture or traffic in such liquor. No liquor revenue stamps or tax receipts for any illegal manufacture or sale shall be issued in advance, but upon evidence of such illegal manufacture or sale a tax shall be assessed against, and collected from, the person responsible for such illegal manufacture or sale in double the amount now provided by law, with an additional penalty of $500 on retail dealers and $1,000 on manufacturers. The payment of such tax or penalty shall give no right to engage in the manufacture or sale of such liquor, or relieve anyone from criminal liability, nor shall this Act relieve any person from any liability, civil or criminal, heretofore or hereafter incurred under existing laws.

The commissioner, with the approval of the Secretary of the Treasury, may compromise any civil cause arising under this title before bringing action in court; and with the approval of the Attorney General he may compromise any such cause after action thereon has been commenced.

1926—Act of February 26, 1926 (44 Stat. L., 9, 95, 97, 104)—An Act To reduce and equalize taxation, to provide revenue, and for other purposes.

SECTION 1. This act may be cited as the "Revenue Act of 1926."

* * * *

SEC. 701. On and after July 1, 1926, there shall be levied, collected, and paid annually, in lieu of the tax imposed by section 701 of the Revenue Act of 1924, a special excise tax of $1,000, in the case of every person carrying on the business of a brewer, distiller, wholesale liquor dealer, retail liquor dealer, wholesale dealer in malt liquor, retail dealer in malt liquor, or manufacturer of stills, as defined in section 3244 as amended and section 3247 of the Revised Statutes, in any State, Territory, or District of the United States contrary to the laws of such State, Territory, or District, or in any place therein in which carrying on such business is prohibited by local or municipal law. The payment of the tax imposed by this section shall not be held to exempt any person from any penalty or punishment provided for by the laws of any State, Territory, or District for carrying on such business in such State, Territory, or District, or in any manner to authorize the commencement or continuance of such business contrary to the laws of such State, Territory, or District, or in places prohibited by local or municipal law.

Any person who carries on any business or occupation for which a special tax is imposed by this section, without having paid such special tax, shall, besides being liable for the payment of such special tax, be subject to a penalty of not more than $1,000 or to imprisonment for not more than one year, or both.

* * * *

SEC. 703. [See Act of December 17, 1914].

* * * *

SEC. 900. [See section 600 of Act of February 24, 1919].

SEC. 901. Notwithstanding the provisions of section 3334 of the Revised Statutes, as amended, or section 492 of the Tariff Act of 1922, any distilled spirits forfeited or abandoned to the United States may be sold, in such cases as the Commissioner of Internal Revenue may by regulation provide, to the proprietor of any industrial alcohol plant for denaturation, or redistillation and denaturation, without the payment of the internal-revenue tax thereon.

LIENS ON DISTILLERIES

SEC. 902. (a) Any lien, under section 3251 of the Revised Statutes, as amended, on any land or any building thereon shall be held to be extinguished, if (1) such land and building are no longer used for distillery purposes, and (2) there are no outstanding liability for taxes or penalties imposed by law on the distilled spirits produced therein, and (3) no litigation is pending in respect of any such tax or penalty.

(b) Any person claiming any interest in any such land or building may apply to the collector for a duly acknowledged certificate to the effect that such lien is discharged and, if the Commissioner determines that any such lien is extinguished, the collector shall issue such certificate, and any such certificate may be recorded.

* * * *

SEC. 1103. [See section 3176, Revised Statutes].

1928—Act of May 29, 1928 (45 Stat. L., 791, 857, 882)—An Act To reduce and equalize taxation, provide revenue, and for other purposes.

* * * *

SEC. 291. In case of any failure to make and file a return required by this title, within the time prescribed by law or prescribed by the Commissioner in pursuance of law, 25 per centum of the tax shall be added to the tax, except that when a return is filed after such time and it is shown that the failure to file it was due to reasonable cause and not due to willful neglect no such addition shall be made to the tax. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax. The amount added to the tax under this section shall be in lieu of the 25 per centum addition to the tax provided in section 3176 of the Revised Statutes, as amended.

* * * *

SEC. 451. [See section 611 of Act of February 24, 1919].

SEC. 452. [See section 612 of Act of February 24, 1919].

* * * *

SEC. 709. The provisions of law applicable to the remission or mitigation by the Secretary of the Treasury of forfeitures under the customs laws shall apply to forfeitures incurred or alleged to have been incurred before or after the enactment of this Act, under the internal-revenue laws.

APPROPRIATION ACTS

1928—Act of December 20, 1928 (45 Stat. L., 1035)—An Act Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1930, and for other purposes.

* * * *

For expenses to enforce the provisions of the National Prohibition Act, as amended, and the Act entitled "An Act to provide for the registration of, with collectors of internal revenue, and to impose a special tax upon, all persons who produce, import, manufacture, compound, deal in, dispense, sell, distribute, or give away opium or coca leaves, their salts, derivatives, or preparations, and for other purposes," approved December 17, 1914 (U.S.C., p. 742, sec 211), as amended by the Revenue Act of 1918 (U.S.C., pp. 784-787, secs. 691-708), and the Act entitled "An Act to amend an Act entitled 'An Act to prohibit the importation and use of opium for other than medicinal purposes,' approved February 9, 1909," as amended by the Act of May 26, 1922 (U.S.C., pp. 635, 636, secs. 171-184), known as "The Narcotic Drugs Import and Export Act," and for carrying out the applicable provisions of the Act approved March 3, 1927 (U.S.C., Supp. I, p. 9, secs. 281-281e), including the employment of executive officers, attorneys, agents, inspectors, chemists, assistant chemists, supervisors, gaugers, storekeepers, storekeeper-gaugers, clerks, and messengers in the field and in the Bureau of Prohibition in the District of Columbia, to be appointed as authorized by law; the securing of evidence of violations of the Acts; the cost of chemical analyses made by others than employees of the United States; the purchase of such supplies, equipment, mechanical devices, laboratory supplies, books, and such other expenditures as may be necessary in the District of Columbia and the several field offices; cost of seizure, storage and disposition of any vehicle and team or automobile, boat, air or water craft, or any other conveyance, seized pursuant to section 26, Title II, of the National Prohibition Act, when the proceeds of sale are insufficient therefor or where there is no sale; cost incurred by officers and employees of the Bureau of Prohibition in the seizure, storage, and disposition of property under the internal revenue laws when the same is disposed of under section 3460, Revised Statutes (U.S.C., p. 546, sec. 1193); hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary; and for rental of necessary quarters; in all, $13,500,000, of which amount not to exceed $713,420 may be expended for personal services in the District of Columbia: *Provided,* That not to exceed $1,411,260 of the foregoing sum shall be expended for enforcement of the provisions of the said Acts of December 17, 1914, and May 26, 1922, and the Secretary of the Treasury may authorize the use, by narcotic agents, of motor vehicles confiscated under the provisions of the Act of March 3, 1925 (U.S.C., p. 858, sec. 43), and pay the maintenance, repair, and operation thereof from this allotment: *Provided further,* That no money herein appropriated for the enforcement of the National Prohibition Act, the customs laws, or internal revenue laws, shall be used to pay for storage in any private warehouse of intoxicating liquor, or other property in connection therewith seized pursuant to said Acts and necessary to be stored, where there is available for that purpose space in a Government warehouse or other suitable Government property in the judicial district wherein such property was seized, or in an adjacent judicial district, and when such seized property is stored in an adjacent district the jurisdiction over such property in the district wherein it was seized shall not be affected thereby; *Provided further,* That for purpose of concentration, upon the initiation of the Commissioner of Prohibition and under regulations prescribed by him, distilled spirits may be removed from any internal-revenue bonded warehouse to any other such warehouse, and may be bottled in bond in any such warehouse before or after payment of the tax, and the commissioner shall prescribe the form and penal sums of bond covering distilled spirits in internal-revenue bonded warehouses, and in transit between such warehouses: *Provided further,* That moneys expended from this appropriation for the purchase of narcotics and subsequently recovered shall be deposited in the Treasury to the credit of the appropriation for enforcement of Narcotic and National Prohibition Acts current at the time of the deposit.

1929—Act of March 4, 1929 (45 Stat. L., 1613, First Deficiency Act)—An Act Making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1929, and for other purposes.

* * * *

For an additional amount for enforcement of the National Prohibition Act, including the same objects specified under this head in the Act making appropriations for the Treasury Department for the fiscal year 1930, fiscal years 1929 and 1930, $1,719,654, of which not exceeding $50,000 may be expended for the collection and dissemination of information and appeal for law observance and law enforcement, including cost of printing and other necessary expenses in connection therewith.

For the purposes of a thorough inquiry into the problem of the enforcement of prohibition under the provisions of the eighteenth amendment of the Constitution and laws enacted in pursuance thereof, together with the enforcement of other laws, $250,000, or as much thereof as may be required, to be expended under authority and by direction of the President of the United States, who shall report the result of such investigation to the Congress together with his recommendations with respect thereto. Said sum to be available for the fiscal years of 1929 and 1930 for each and every object of expenditure connected with such purposes notwithstanding the provisions of any other Act.

1929—Act of March 4, 1929 (45 Stat. L., 1652, Second Deficiency Act)—An Act Making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1929, and June 30, 1930, and for other purposes.

* * * *

Narcotic enforcement: For an additional amount for the enforcement of the Acts relating to narcotics, including the same objects specified under this head in the Act making appropriations for the Treasury Department for the fiscal year 1930, $200,000.

APPENDIX 5

FINANCIAL STATEMENT

Explanatory Note

Statements showing appropriations, receipts, expenditures, and other financial data for a series of years constitute the most effective single means of exhibiting the growth and development of a service. Due to the fact that Congress has adopted no uniform plan of appropriations for the several services and that the latter employ no uniform plan in respect to the recording and reporting of their receipts and expenditures, it is impossible to present data of this character according to any standard scheme of presentation. In the case of some services the administrative reports contain tables showing financial conditions and operations of the service in considerable detail; in others financial data are almost wholly lacking. Careful study has in all cases been made of such data as are available, and the effort has been made to present the results in such a form as will exhibit the financial operations of the services in the most effective way that circumstances permit.

The statement on pages 309 and 310 gives data on all appropriations made to the Bureau of Internal Revenue and the Bureau of Prohibition for the enforcement of the prohibition and narcotic laws. For the fiscal years 1915 to 1926 the appropriations were made to the Bureau of Internal Revenue; for the fiscal year 1927 the appropriation was originally made to that Bureau, but the expenditures for the last three months of the year were made by the Bureau of Prohibition. The appropriations for the fiscal years 1928 to 1930 were made to the Bureau of Prohibition.

For the fiscal year 1920 separate appropriations were made for narcotic and prohibition enforcement. For the fiscal year 1921 and thereafter one appropriation was made for the two activities, with the provision that not more than a specified amount might be used for narcotic enforcement. In the table these are shown as separate appropriations, although any part of the money not needed for narcotic enforcement could be used for prohibition work. The Treasury reports give expenditures for the combined appropriation only.

The table on pages 311 and 312 gives the distribution of the expenditures for the fiscal year 1928 by districts and objects.

In addition to the appropriations given below the Bureau of Prohibition shares in the general appropriations to the Treasury Department for stationery and for printing and binding. The amounts spent from these appropriations for the fiscal years 1925 to 1928 for work now under the Bureau of Prohibition were as follows:

Expenditures for Stationery and for Printing and Binding, Fiscal Years 1925 to 1928

Fiscal year	Stationery	Printing and Binding
1925	$47,911.64	$62,978.04
1926	27,738.50	54,241.58
1927	48,058.81	59,277.14
1928	50,420.09	71,315.06

For the fiscal years 1918 to 1924 the prohibition enforcement force shared in the general appropriation for "increase of compensation," or the so-called bonus given to employees of all departments and establishments. For the fiscal year 1918 it was 10 per cent of the annual salary of employees receiving less than $1200, and 5 per cent for employees receiving not less than $1200 and not more than $1800. For the fiscal year 1919 it was a flat rate of $120 a year for all employees receiving an annual salary of $2500 or less, but employees with salaries between $2500 and $2620 received a bonus sufficient to give them a total of $2620, and employees with salaries under $400 received a bonus of 30 per cent. For the fiscal years 1920 to 1924 inclusive it was a flat rate of $240 a year for all employees receiving a total annual compensation of $2500 or less, but employees with salaries between $2500 and $2740 received a bonus sufficient to make their total compensation $2740, and employees with salaries under $400 received bonuses of 60 per cent.

The appropriations include deficiencies except those known as certified claims, which are generally for small amounts. These arise from the fact that the appropriation is exhausted or because the claim was approved for payment after the expiration of the statutory limit on payments from appropriations.

For all years prior to the fiscal year 1927 the expenditures are figured on the accrual basis unless otherwise noted. That is, the amount given as expended out of a specific appropriation represents the total expenditure regardless of whether the money was expended during the current fiscal year or during the two succeeding years in which the money was available. The figures for the fiscal years 1927 and 1928 are on the cash basis and are not final.

Except for the fiscal year 1928 the figures given in the following table do not agree with those contained in a mimeograph statement issued by the Bureau of Prohibition and published in the Congressional Record for January 18, 1929 (page 1990). The figures in the following table are from the "Combined Statement of the Receipts and Expenditures, Balances, etc., of the United States," issued annually by the Office of the Secretary of the Treasury. The Combined Statement gives expenditures from each appropriation during each fiscal year and the balance carried to the surplus fund when the appropriation account is closed out at the end of the second year succeeding the one for which the appropriation was made. The discrepancy between the Combined Statement figures and the Bureau of

Prohibition figures is due to the fact that the Bureau of Prohibition figures are on the cash basis, while the Combined Statement final figures are on the accrual basis.

The tables on the following pages do not show the entire amount spent for prohibition enforcement, as they are confined entirely to the work under the Bureau of Prohibition and its predecessor—the Prohibition Unit of the Bureau of Internal Revenue. The following statement gives an estimate of the total amount to be expended for prohibition enforcement during the fiscal year 1930:

Estimated Expenditures for Prohibition Enforcement, Fiscal Year 1930

Bureau of Prohibition	
Bureau of Prohibition appropriations, less amount for narcotic enforcement	$13,808,394 [1]
To be allotted from Treasury fund for printing and binding [2]	70,000
To be allotted from Treasury fund for stationery [2]	48,000
Total for Bureau of Prohibition	13,926,394
Coast Guard, proportion due to anti-smuggling [2]	14,686,798
Customs Service	
Proportion estimated as due to border patrol work taken over from Bureau of Prohibition [2]	1,000,000
Additional appropriation, Public 1035	707,860
Department of Justice	
Estimated at one-third of total department estimates for 1930 as due to prohibition enforcement [2]	9,367,853
Additional appropriation, Public 1035	150,400 [1]
	$39,839,305

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[1] In part available during fiscal year 1929.

[2] Statement of chairman of subcommittee of the House Committee on Appropriations in charge of the Treasury Department appropriation bill. Congressional Record, daily edition, December 18, 1928, p. 821.

APPROPRIATIONS AND EXPENDITURES, 1915-1928; APPROPRIATIONS, 1929 AND 1930

FISCAL YEARS

Appropriation	1915		1916		1917		1918	
	Appropriations	Expenditures	Appropriations	Expenditures	Appropriations	Expenditures	Appropriations	Expenditures
Restricting sale of opium [a]	$150,000.00	[b] $116,400.11	......	[b] $13,270.71	......	[b] $5,615.48	.....	......
Restricting sale of opium [c]	......	......	$292,200.00	291,144.84	$300,000.00	292,527.15	$300,000.00	$296,143.42
Total	$150,000.00	$116,400.11	$292,200.00	$304,415.55	$300,000.00	$298,142.63	$300,000.00	$296,143.42

Appropriation	1919		1920		1921		1922	
	Appropriations	Expenditures	Appropriations	Expenditures	Appropriations	Expenditures	Appropriations	Expenditures
Restricting sale of opium [c]	$325,000.00	$272,893.59	$550,000.00	$514,852.74	.....	......	......	......
Enforcement of national prohibition act	......	......	2,200,000.00	2,137,609.46	$6,350,000.00	$7,034,652.08	$6,750,000.00	$7,327,108.32
Enforcement of narcotic act	......	......	......	......	750,000.00		750,000.00	
Total	$325,000.00	$272,893.59	$2,750,000.00	$2,652,462.20	$7,100,000.00	$7,034,652.08	$7,500,000.00	$7,327,108.32

Appropriation	1923		1924		1925		1926	
	Appropriations	Expenditures	Appropriations	Expenditures	Appropriations	Expenditures	Appropriations	Expenditures
Enforcement of national prohibition act	$8,500,000.00	$8,994,427.51	$8,250,000.00	$8,456,629.90	[d]$10,091,770.00	$10,500,401.59	$9,670,560.00	$10,965,075.10
Enforcement of narcotic act	750,000.00		750,000.00		1,250,000.00		1,329,440.00	
Total	$9,250,000.00	$8,994,427.51	$9,000,000.00	$8,456,629.90	$11,341,770.00	$10,500,401.59	$11,000,000.00	$10,965,075.10

[a] Available until expended. [b] Advances to disbursing officers. [c] Annual appropriation.
[d] Includes $712,000 for additional compensation for field employees under both prohibition and narcotic enforcement.

APPROPRIATIONS AND EXPENDITURES, 1915-1928; APPROPRIATIONS, 1929 AND 1930—CONTINUED

FISCAL YEARS

Appropriation	1927		1928		1929		1930	
	Appropriations	Expenditures	Appropriations	Expenditures	Appropriations	Expenditures	Appropriations	Expenditures
Enforcement of national prohibition act	$11,993,005.00	[a]$12,490,543.58	$11,990,965.00	[a]$12,895,319.83	[b]$11,967,710.00		[c]$13,808,394.00	
Enforcement of narcotic act...	1,329,440.00		1,329,440.00		1,350,440.00		1,611,260.00	
Total	$13,322,445.00	$12,490,543.58	$13,320,405.00	$12,895,319.83	$13,318,150.00		$15,419,654.00	

[a] To June 30, 1928.

[b] Includes $589,010 for additional compensation under both prohibition and narcotic enforcement.

[c] $1,719,654 available during fiscal years 1929 and 1930.

EXPENSES OF THE PROHIBITION SERVICE, BY OBJECTS, FISCAL YEAR 1928

Units	Salaries	Travel	Rent	Telephone and telegraph	Supplies and equipment	Procurement of evidence	Miscellaneous	Total
Prohibition District expenditures								
1. Boston	$487,648.41	$76,568.96	$13,140.79	$6,802.83	$11,434.77	$11,970.20	$75,936.99	$683,502.95
2. New York	856,166.49	57,159.09	43,618.44	5,219.41	9,588.15	15,223.12	76,686.26	1,063,660.96
3. Buffalo	391,731.37	104,838.18	13,866.60	3,585.78	11,971.06	6,617.13	61,713.50	594,323.62
4. Newark	224,869.74	22,965.40	14,666.06	2,765.55	7,282.38	3,321.75	39,748.94	315,619.82
5. Philadelphia	428,211.62	72,625.50	33,319.98	5,319.98	7,412.40	5,202.33	65,298.45	617,390.26
6. Pittsburgh	347,331.58	74,363.93	25,365.72	4,785.90	5,721.18	7,359.04	62,147.39	527,074.74
7. Baltimore	239,407.87	20,122.74	None.	1,218.37	2,035.77	4,809.44	22,732.47	290,326.66
8. Richmond	227,130.21	110,285.85	1,058.40	2,106.99	2,717.52	3,983.32	8,802.53	356,084.82
9. Savannah	232,357.57	99,347.27	6,413.04	2,332.38	5,168.59	7,868.88	52,018.90	405,506.63
10. New Orleans	295,230.24	100,759.76	2,292.00	3,569.65	6,531.04	14,176.90	23,044.42	445,604.01
11. Louisville	233,523.27	69,188.82	None.	2,335.53	4,306.82	6,565.57	21,072.89	336,992.90
12. Columbus	288,066.70	80,566.63	22,256.95	5,306.09	8,637.20	9,989.60	34,274.69	449,097.86
13. Chicago	651,426.78	111,408.08	45,746.46	4,623.11	14,342.10	14,197.27	22,308.37	864,052.17
14. St. Paul	252,727.63	77,416.50	1,860.00	2,608.67	3,881.93	14,519.66	23,815.55	376,829.94
15. Topeka	137,019.02	44,481.24	15,182.08	2,248.77	6,992.79	6,694.19	5,888.61	218,506.70
16. St. Louis	210,030.22	56,251.03	4,978.92	1,639.58	3,684.53	9,070.05	18,819.44	304,473.77
17. Fort Worth	238,841.98	87,233.15	18,504.52	2,491.62	3,347.47	9,920.36	18,593.83	378,932.93
18. Denver	112,333.77	43,022.51	5,375.00	1,677.47	3,512.38	5,978.57	9,492.26	181,391.96
19. Helena	142,850.22	49,394.06	4,435.00	1,213.85	4,525.73	6,126.17	37,210.38	245,755.41
20. Seattle	197,770.41	43,538.64	8,021.85	3,267.42	2,225.45	4,871.68	10,716.33	270,411.78
21. San Francisco	205,598.15	48,554.97	750.00	1,853.72	6,063.76	5,978.39	12,235.49	281,034.48
22. Los Angeles	192,232.33	65,026.80	11,724.96	2,829.26	8,015.43	3,879.06	2,741.97	286,449.81
23. Honolulu	36,361.77	3,794.83	240.00	282.20	300.00	393.15	1,799.47	43,171.42
24. San Juan, Porto Rico	31,467.47	3,920.95	None.	209.71	400.00	563.48	526.20	37,087.81
25. Detroit	305,160.86	44,628.37	19,406.78	3,519.98	9,831.57	9,759.63	70,425.47	462,732.66
Total	$6,965,495.68	$1,567,463.26	$312,223.55	$73,813.82	$149,930.02	$189,038.94	$778,050.80	$10,036,016.07

EXPENSES OF PROHIBITION SERVICE, BY OBJECTS, FISCAL YEAR 1928—CONTINUED

Units	Salaries	Travel	Rent	Telephone and telegraph	Supplies and equipment	Procurement of evidence	Miscellaneous	Total
Prohibition general field expenditures								
Zone supervisors	$69,776.12	$32,879.49	......	......	......	$2.18	......	$102,657.79
Special agents	406,300.80	189,846.17	$7,247.90	$5,522.01	$15,000.00	15,693.47	$41,459.31	681,069.66
Border patrol	5,977.49	2,655.85	......	......	......	......	......	8,633.34
Special intelligence	104,149.19	39,270.25	481.46	100.32	2,000.00	349.64	1,849.48	148,200.34
Foreign control	46,435.91	16,805.18	179.80	1,918.23	2,000.00	1,874.80	3,621.79	72,835.71
Total	$691,484.78	$281,456.94	$7,909.16	$7,540.56	$19,000.00	$17,920.09	$46,930.58	$1,013,396.84
Narcotic enforcement field expenditures.	738,608.06	268,418.81	5,290.02	10,709.66	5,000.00	84,824.00	1,228.08	1,114,078.63
Washington office expenditures for both prohibition and narcotic enforcement	652,544.41	15,000.66	......	12,455.10	51,310.75	13.15	504.22	731,828.29
Grand total	$8,989,287.66	$2,132,339.67	$325,422.73	$104,519.14	$225,240.77	$291,796.18	$826,713.68	$12,895,319.83

APPENDIX 6

BIBLIOGRAPHY[1]

EXPLANATORY NOTE

The bibliographies appended to the several monographs aim to list only those works which deal directly with the services to which they relate, their history, activities, organization, methods of business, problems, etc. They are intended primarily to meet the needs of those persons who desire to make a further study of the services from an administrative standpoint. They thus do not include the titles of publications of the services themselves, except in so far as they treat of the services, their work and problems. Nor do they include books or articles dealing merely with technical features other than administrative of the work of the services. In a few cases explanatory notes have been appended where it was thought they would aid in making known the character or value of the publication to which they relate.

After the completion of the series the bibliographies may be assembled and separately published as a bibliography of the Administrative Branch of the National Government.

Andrews, L. C. Prohibition enforcement as a phase of federal versus state jurisdiction in American life. (In Annals of American academy of political and social science, Jan. 1927, v. 129: 77-87)

Blakemore, A. W. National prohibition the Volstead act annotated and digest of national and state prohibition decisions, . . . Albany, N. Y. M. Bender & co. 1927. 1047 p.

Congress and prohibition enforcement. (In Congressional digest, June 1926, v. 5: 187-90)

Digest and editorial article (analysis, explanation and interpretation of the federal narcotic laws as they apply to doctors of medicine. Los Angeles, Los Angeles medical association. 1925. 45 p.

The "editorial article" is a criticism of the administration of the Harrison act.

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[1] Compiled by Sophy H. Powell.

Dope law: Harrison anti-narcotic act. (In Review of reviews, May 1915, v. 51: 515-16)

Enforcing national prohibition in the United States. (In Congressional digest, Oct. 1924, v. 4: 3-32)

Jessup, P. C. Law of territorial waters and maritime jurisdiction; the nature and extent of civil and criminal jurisdiction in marginal seas. . . . N. Y., G. A. Jennings co., Inc. 1927. 548 p.

Kelly, Bernard. Kelly's federal prohibition digest, digesting all cases arising under the federal prohibition act . . . Chicago, Ill. B. J. Smith & co. 1925. 416 p.

Kent, J. E. Kent's guide manual (Harrison narcotic law) . . . San Francisco, Service press. 1917. 187 p.

Contains Regulations and Treasury decisions up to the date of its publication.

Hopkins, J. L. New Federal penal code, annotated—with forms; comprising the U. S. Criminal code, the National prohibition act, the Harrison anti-narcotic act . . . Cincinnati, W. H. Anderson company. 1927. 1370 p.

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